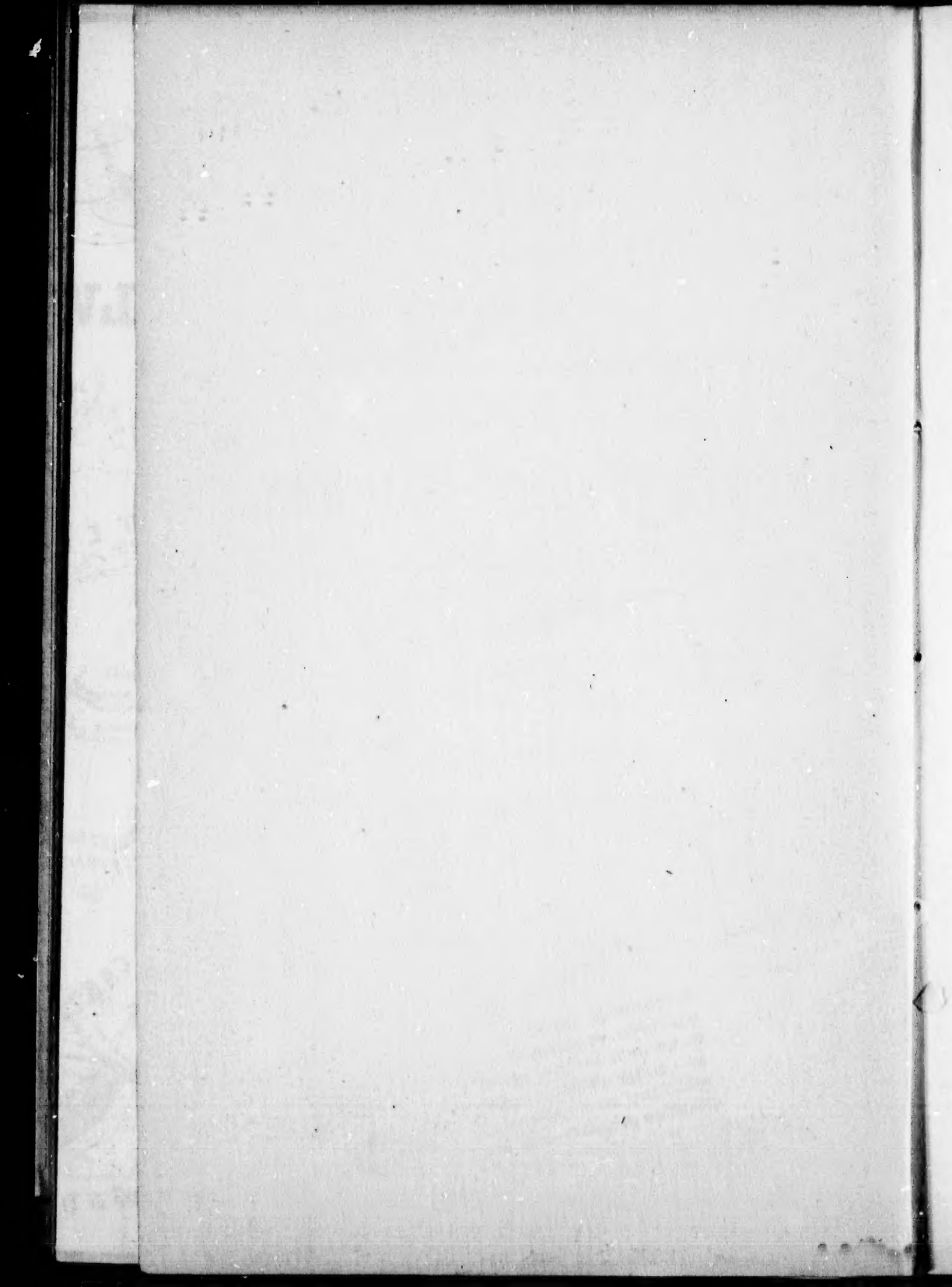




SUPPLEMENTAL REPORT

UPON THE VALUE OF

TWO MILLION ACRES OF TIMBER LANDS

GRANTED TO THE

NORTH SHORE RAILWAY OF CANADA.

BY

GENL. SILAS SEYMOUR,

ENGINEER IN CHIEF.

LATE, STATE ENGINEER AND SURVEYOR GENERAL OF NEW YORK;
CONSULTING ENGINEER OF THE UNION PACIFIC RAILROAD;
GENERAL CONSULTING ENGINEER;
&c., &c., &c.

WITH THREE APPENDICES.

QUEBEC :

PRINTED BY AUGUSTIN COTÉ & C^o

1872.

31/1/59

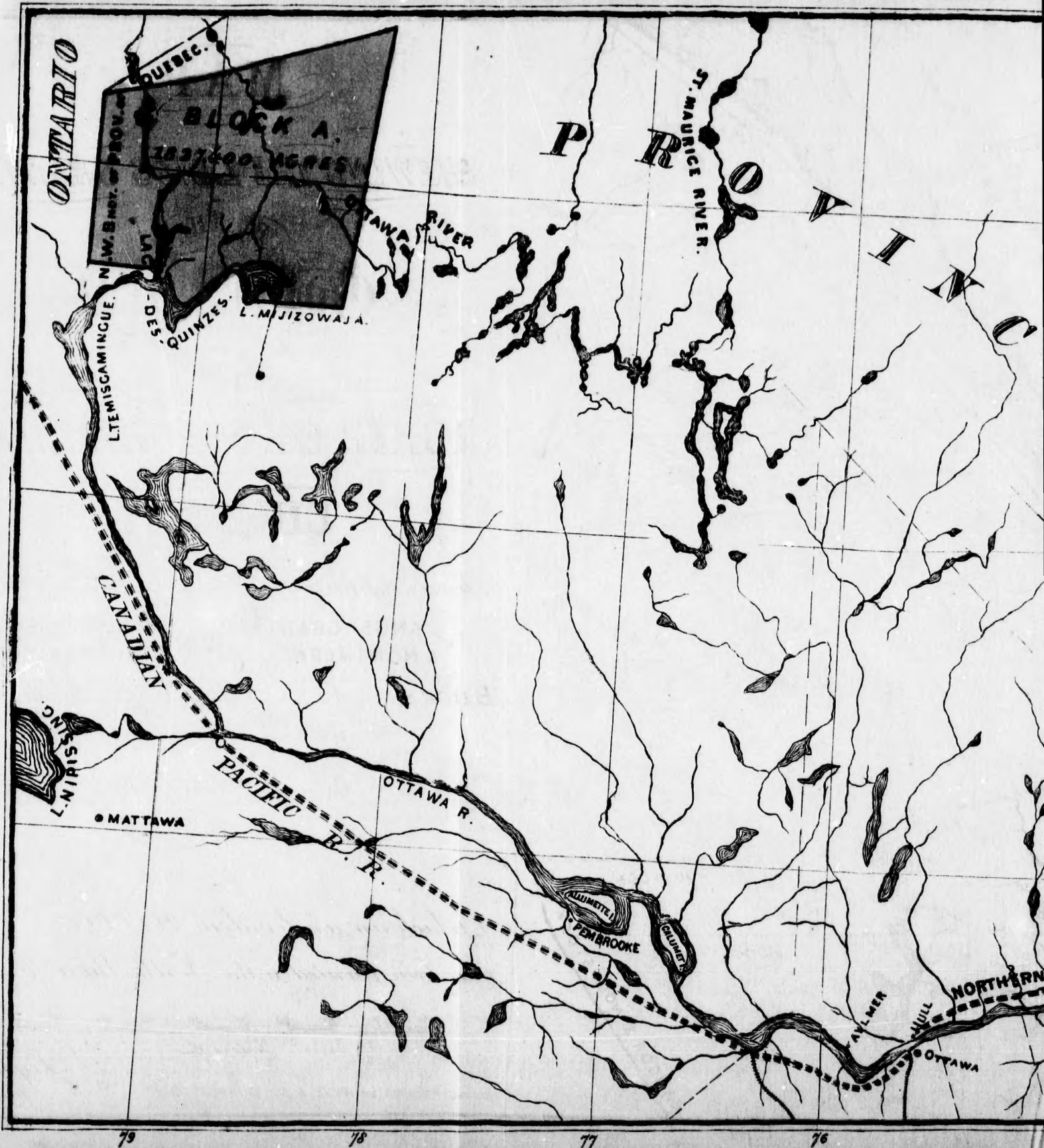
[Faint, illegible text]

TO THE

YAVILLAR ERDENE RTEN

COM PANY

LANDS GRANTED TO THE NORTH SHORE
NORTHERN COLONISATION R. & CO.²



ONTARIO

QUEBEC.

BLOCK A.

2837400 ACRES

N.W. 1/4 of PROV. 4

L. DES QUINZES

L. MIJIZOWAJA

OTTAWA RIVER

ST. MAURICE RIVER.

P

R

O

V

I

N

C

L. TEMISCAMINGUE

CANADIAN

L. NIPISING

MATTAWA

PACIFIC

R. R.

OTTAWA R.

ALLUMETTE

PEMBROOKE

CHAUDRON

AYLMER

HULL

NORTHERN

OTTAWA

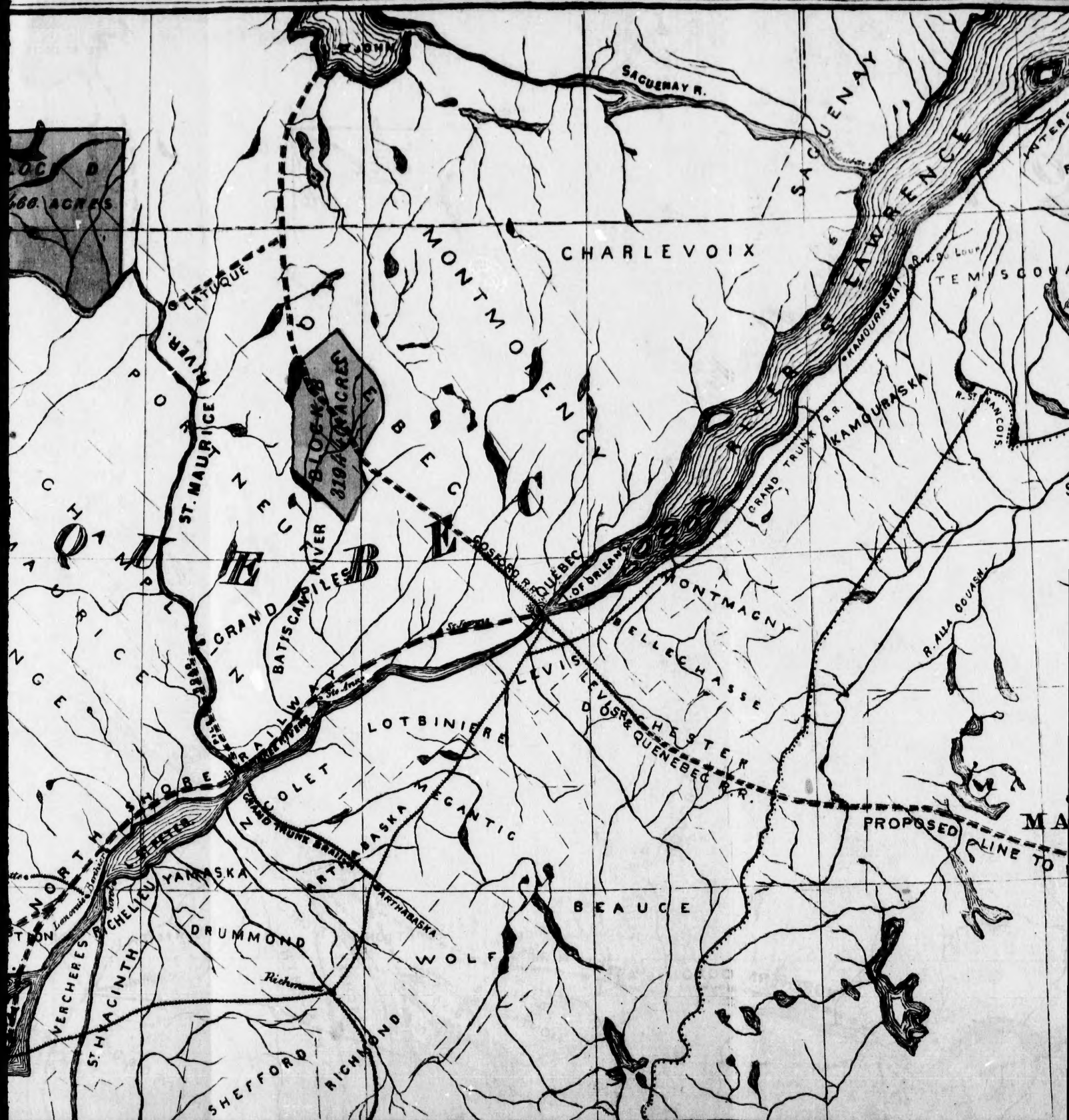
79

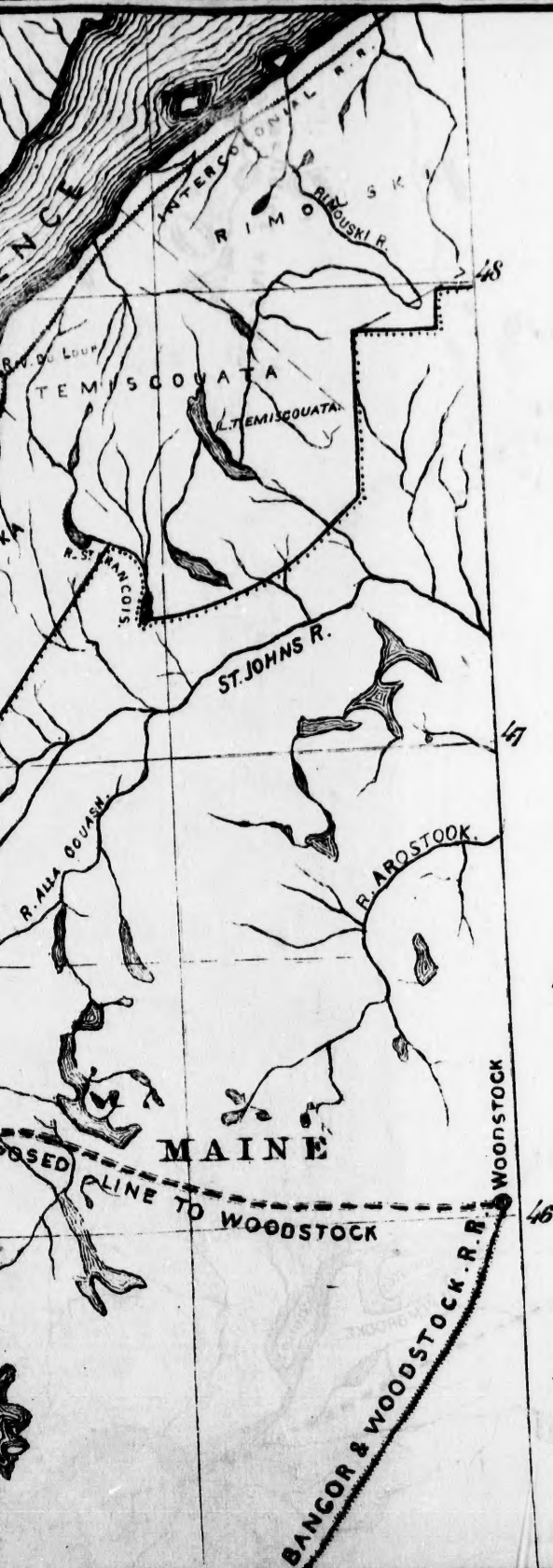
78

77

76







MAP

SHEWING THE LANDS GRANTED

BY THE

Government

TO THE

NORTH SHORE RAILWAY

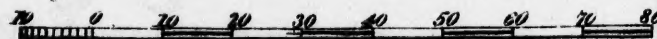
COMPANY.

To accompany the Engineer's report of 1872.

LANDS GRANTED TO THE NORTH SHORE
& NORTHERN COLONISATION R. R. CO.^S

BLOCK	A	1827400.	Acres.
.. ..	B	319440.	.. ..
.. ..	C	371200.	.. ..
.. ..	D	685466.	.. ..
		<u>3203506.</u>	.. ..

*Of which an undivided 2000000 Acres
have been granted to the North Shore R.R. Co.*



Scale of Miles.

LITH & PRINTED BY WYSE & CO. QUEBEC

J. Seymour.
Eng. in Chief.



NORTH SHORE RAILWAY.

SUPPLEMENTAL REPORT

OF THE
ENGINEER IN CHIEF

UPON THE VALUE OF THE LAND GRANT OF THE COMPANY.

QUEBEC, Nov. 30th 1872.

MR. PRESIDENT :

On the 20th of April last, I had the honor of submitting to yourself, and the Board of Directors, a general " Report, in relation to the Past History, Present Condition, and Future Prospects of the North Shore Railway. "

At the time of writing that report, the Company were in possession of very little reliable information in regard, either to the accessibility, or value of the two million acres of timber lands granted by the Government, in aid of the Company, except that their locality, as defined in the law making the grant, and also upon the maps subsequently furnished by the Department of Crown Lands, was generally known. And also, the further important facts, as stated by the Ministers of the Government, during the discussion in Parliament, " that they constituted the best timbered lands at that time unlicensed, and owned by the

Government ; and that no timber had ever been cut from them ;" and also, as stated by the Premier, " that these lands are of great value in consequence of the timber upon them ; and that they will, if properly administered, enable the Company to construct the Railway, without the aid of subsidies from municipalities."

It therefore became necessary to discuss this branch of the subject, upon what may be termed *General Principles* ; and to arrive at the probable value of these lands from *inferential data*, rather than from known and acknowledged facts.

After explaining at some length, in the report above alluded to, the nature and extent of the probable local and through traffic of the Railway ; and demonstrating that the *net earnings* from these sources would amount to the sum of \$846,414.80, (or the interest at 7 per cent upon a capital of \$12,091,640) during the first year after its completion ; and that, judging from the experience of other railways, these net earnings might be expected to increase in the ratio of ten per cent per annum thereafter, until they had reached a *maximum* of 100 per cent above the amount of the present estimate, I proceeded to discuss the probable value of the lands donated by the Government, from the best data then attainable. And the following extracts from that report will show the conclusion then arrived at, with reference to their present, and probable future value to the Company.

Extract from Engineers Report, dated April 20th 1872.

VALUE OF THE LANDS DONATED BY GOVERNMENT.

" It has been stated that the Lands granted by the Government in aid of the Railway, amount to Two Million acres ; and

that they are located in four separate Blocks or Parcels, which are particularly described in the Act of Parliament making the grant.

"An examination of the accompanying Map will show the relative position and the quantity of land contained in each Block.

"For convenient reference, the following tabular statement has been prepared, showing the total quantity in each Block; and the undivided portion in each, that will belong to the North Shore Railway Company, when their Railway shall be completed.

Designation of Block.	Total quantity in acres.	Undivided portion to the N. S. Railway.	Official Remarks.
Block A	1,827,400	1,140,875	Pine country.
Block B.	319,440	199,431	Well timbered.
Block C.	371,200	231,744	Do.
Block D	685,460	427,950	Pine, Spruce and Tamarack.
Total	* 3,203,500	2,000,000	.....

"In order to present to the mind some idea of the extent of this land grant, it may not be improper to state, that if the area of 2,000,000 acres were reduced to a parallelogram of one mile in width, it would extend 3,125 miles in length, or more than *one ninth* of the circumference of the Earth. If reduced to a square, it would be bounded by four equal sides of a little more than 55 miles in length.

"The question as to the *Value of Timber Lands*, not being a strictly Engineering one, I trust that I may be pardoned for any unusual degree of awkwardness that may be exhibited in its discussion.

"In ordinary trading parlance, an article of traffic is considered to be worth just what it will bring in Market.

"I have heard repeated offers for these lands made to the Company, by responsible parties, of \$2 per acre. Hence I conclude that \$4,000,000 for the 2,000,000 acres, may safely be regarded as their *minimum* value at the present time.

* This amount has been erroneously printed in the Law as being 3,208,500 acres.

"I know of several parties of undoubted responsibility, and who profess to know much more about these lands than I, who have not seen, can know of them, who would be very glad to enter into a contract with the Company, and to give satisfactory security, that they will pay \$3 per acre for them, on or before the maturity of the Railway Company's Mortgage Bonds. Hence I conclude that within the next twenty years, they will be worth at least \$6,000,000.

"The Honorable John Young, than whom perhaps no better authority exists, as to the general value of well timbered lands, situated as these are, within easy reach of the market; says in the letter before referred to, which will be found in the Appendix: "From my knowledge of the matter it will be safe to consider that *Four dollars* per acre would be a very moderate estimate of their value." And his reasons for this opinion are given with great force.

"I do not understand, however, that the Company has any intention, at the present time, to dispose of these lands; but, on the contrary, that it desires to retain them; and to avail itself of any increased future value that time and circumstances may give to them.

"In the mean time, it is desirable to know to what extent they, or the credit that may be justly derived from them, may be used with safety, to aid in the construction of the Railway, upon which the grant is predicated by the Government.

"It is a notorious, as well as somewhat melancholy fact, that *first growth, well-timbered Pine Lands*, are very rapidly disappearing from the face of the Earth; and that the sturdy growth of stately trees which now covers them will never be replaced.

"If a Map of the World could be dotted with the areas now covered by these Forests, they would appear so small when compared with the remaining portion of the Earth's surface, that it would almost require a Microscope to discover them. And yet, but a century or two ago, they undoubtedly occupied much the largest portion of the American Continent. Like the "Red Man of the Forest," they are disappearing before the rapid advances of Civilization, to return, NEVER-MORE!!

"Hence it is that the Owners of the largest Lumber Manufacturing Establishments, in the United States and Canada, having Millions of Dollars invested in the business, are constantly reaching forward into the future, and securing these unoccupied Tracts

of timber lands, which will become so invaluable to them hereafter.

"The Canadian Government has, for many years past, adopted the Policy of granting *Licenses* for cutting and removing the timber from her Forests; and has received a large annual revenue from that source.

"The Commissioner of Crown Lands, in his last Report says, that the revenue derived by the Government from this source during the past four years, has been as follows :

"	For the year ending 30 June, 1868	\$195,115.96
"	" " " " 1869.....	331,752.12
"	" " " " 1870.....	362,868.02
"	" " " " 1870.....	406,480.51

"Which shows a ratio of increase, equal to about 25 per cent. annually.

"In a Report more recently furnished by Mr. A. J. Russell, Crown Timber Agent of the Province of Quebec, for the Upper Ottawa District, which embraces the lands in Block "A" before referred to, the following statement appears :

"To Exhibit, appoximately, the rapid increase of the Ottawa lumber trade, I may state, that the revenue from my Agency is rapidly increasing. It was but a little over \$200,000 annually, ten years ago, while last year it amounted to \$565,007.14.

"From the foregoing official statements, it would appear that the Company might, if it should be deemed expedient to do so, realize a very handsome annual revenue from the timber product of these lands, by granting Licenses in the manner adopted by the Government. But I should very much doubt the Policy of doing so, even if the revenue so to be derived would be equal to the annual interest upon its Mortgage Bonds.

"A glance at the Map will show that the numerous Streams which flow through all parts of these lands, and run thence into the Ottawa, or St. Lawrence River, afford the most ample facilities, either for manufacturing the lumber on the spot; or for driving the timber and logs to Market, previous to being manufactured.

"During the debate in Parliament upon the Act granting the 3,203,500 acres of lands to the North Shore, and the Northern Colonization Railways, it was stated by the Premier, and by the Commissioner of Crown Lands, that they constituted the *best timbered lands* at that time unlicensed and owned by the Govern

ment ; and that no timber had ever been cut from them ; and also, that these lands are of great value in consequence of the timber upon them ; and that they will, if properly administered, enable the Company to construct the Railway, without the aid of subsidies from Municipalities.

"The above lands, together with 1,200,000 acres granted in aid of the Railway from Quebec to Lake St. John, amounting to an aggregate of 4,503,500 acres, are the only lands that have been granted by the Government, in aid of Railways, upon the North side of the Ottawa and St. Lawrence Rivers ; and it is not probable that any further grants of a similar character will be made in the future.

"It will probably be the policy of these Railway Companies, as it certainly is of the North Shore Railway Company, to mortgage these lands in connection with their Railways, in order to procure the means with which to construct their Roads ; and to keep the timber upon them *intact*, until the maturity of their Bonds.

"In the mean time, the great and constantly increasing demands of the lumbering interests of the country, will compel the Government to grant Licenses for nearly all the available timber lands in the Province ; so that, at the expiration of twenty years, or at the maturity of the Bonds, the timber upon the lands thus held by the Railway Companies, will command almost any price that may be asked for it.

"It should also be borne in mind, that, after the valuable timber is removed from these lands, by far the greatest portion of them will be susceptible of cultivation ; and that, in all probability, they will bring from one to five dollars per acre, according to quality and location, for that purpose.

"Manufacturing Towns and Villages will also spring up in the Valleys, and along the numerous Streams that flow through them ; and the extensive Water Powers, which occur so often upon these Streams, will eventually be utilized ; which, together with the cultivation of the soil, and the raising of stock, will furnish employment to a numerous and hardy Population.

"Taking into consideration, therefore, the growing scarcity of valuable Pine and other Timbered Lands, not only throughout the World ; but upon the American Continent ; and even in the Dominion of Canada, where they were formerly supposed to be almost inexhaustible ; the present availability of these lands for the realization of a large and rapidly increasing revenue, by the

sale of their timber product ; their future value for Agricultural, Grazing and Manufacturing purposes ; and the fact, that, after the expiration of twenty years, or at the maturity of the Mortgage Bonds of the Company, they will be almost the only available Timbered Lands remaining upon the North side of the St. Lawrence and Ottawa Rivers, I am forced to the conclusion, that their present value to the Company should not be estimated at less than \$5 per acre ; or a total of \$10,000,000."

During the time which has intervened, since the preparation of the report, from which the foregoing is an extract, the public mind of Canada, as well as of the United States, has become excited and alarmed to an extraordinary degree, by the evidences that are daily becoming more and more apparent, of the growing scarcity of timbered lands in both Countries ; and the consequent gradual, but rapid increase in the prices of lumber.

The convictions which have resulted from this state of public feeling, as exemplified by the newspaper press of both Countries, and the discussions in the international boards of trade, and in Parliament, more than confirm the views presented, and conclusions reached in my former report, respecting the present and probable future value of the company's lands, when considered only upon general principles. While the detailed information which you have received during the same period of time, from the most reliable official and private sources within your reach, with reference to the convenient accessibility of these lands ; and their great value for lumbering, manufacturing and agricultural purposes, as compared with other forest lands in Canada and the United States, affords the most satisfactory and convincing proof, that no estimate which has heretofore been placed upon their value, by the Company, has reached the maximum, which a full and fair consideration of the above mentioned facts would seem to justify.

I have considered the evidences of the state of public feeling existing in Canada and the United States, as promulgated through the public press of both Countries ; and the discussions of the Board of Trade, and in Parliament, to be of sufficient importance to justify me in selecting such as have come to my notice, and embodying them in Appendix No. 1 to this Report.

That the solicitude manifested in these evidences of public feeling, in relation to the great lumber interests of the country, is not without just foundation, will be rendered quite evident by a consideration of the following facts and statistics, with reference to the lumber trade of the United States, the Dominion of Canada, and the Province of Quebec, during the past few years.

I.

LUMBER TRADE OF THE UNITED STATES.

The great lumber markets of Illinois, Indiana, Ohio, Pennsylvania, New York, and the New England States, are now, and for several years past, have been supplied almost exclusively from the forests of Michigan, and the Provinces of Ontario and Quebec, in the Dominion of Canada.

The supply in Michigan has become very nearly exhausted, and the hopes of the lumber merchants in the United States, as well as in South America, and Europe, are now turned towards Canada as their last resort.

It is true that in the Northern portion of the State of New York, lying opposite the lower portion of the Province of Ontario, there still remains an extensive tract, covered with a luxuriant growth of pine, spruce, and hemlock, together with the most valuable varieties of the harder woods, which is still untouched, save in narrow belts along its numerous streams and Lakes, whose waters afford the means to drive the logs to the mills and markets situated in the lower valleys of the Hudson and the St. Lawrence.

In 1870, while a bill was pending in the New York Legislature for aid to construct a Railway through the heart of this great northern wilderness, known as the ADIRONDACKS, so great was the interest felt in the subject by the lumber Merchants of Albany, that they all, representing a capital of over *fifty million* dollars, united in the following memorial to the Legislature.

"The undersigned, interested in the Lumber trade of Albany—the great sea-board lumber market of the Union, and familiar with

that branch of business, have noticed with pleasure the late action of the House of Assembly upon the bill granting State aid to the "Adirondack Railroad."

"Most of the lumber sold in this market is now the product of soil outside of this state; and the proposed road will surely supply our market with a very large proportion of the Spruce and Hemlock, to say nothing of the Pine and fine hard woods required for many years. The sale of these is limited only by the supply. These lumbers can be procured in the northern wilderness; and sold in this market (if this road should be constructed), at a large profit. The great gain to the State, in substituting its own, for foreign products, in its own markets, is obvious.

"Believing that the increased value of these lands, which are now useless and inaccessible, will, as soon as this road is completed, quickly return the State any aid granted towards its construction, we earnestly pray that the bill to aid its construction may become a law, firmly persuaded that the vast interests of the State will be thereby promoted.

"Dated Albany, April 13 1870."

The feeling, in relation to the fate of this bill, was so earnest, after it had passed the Legislature by an overwhelming majority, and had reached the hands of the Governor, that a large Committee of these lumber merchants waited upon the Governor, and urged him to approve the bill, giving as the principal reason, the fact, that nearly all the available lumber territory in the Western States had been cut over; and it had now become a matter of *necessity* that they should have access to this wilderness.

The Governor, however, vetoed the bill; and the lumber merchants of Albany have still to obtain their supplies from *foreign* soil.

The extent of the demand for the different kinds of lumber, at the single market of Albany, during one year, may be inferred from the following extract from a "Review of the Albany lumber market for the year 1870,"

as published in the *Albany Evening Journal* of January 25th 1871.

"The receipts of lumber (boards and scantling) for the year 1870 were 452,363,884 feet B. M. : of shingles 21,488 M. : timber 119,759 cubic feet, and staves 17,769,100 pounds."

The total official receipts of the same articles of lumber, at tide water, by the New York State Canals, during the year 1870, were as follows :

Boards and scantling 768,007,819 feet B. M. ; Shingles 28,709 M ; Timber 3,795,611 cubic feet ; Staves 232,161,152 pounds.

During the same year, the product of the forest, transported to tide water by the Erie Railway, the N. Y. Central, and the Rensselaer and Saratoga Railroads, as shewn by their official reports to the State Engineer, amounted to the aggregate of 453,356 tons.

The imports of lumber at the city of Chicago during the year 1870, were 1,100,000,000 feet B. M. ; during 1871, 1,300,000,000 ; and during 1872 they will probably reach a total of 1,400,000,000 ft. Board Measure. This lumber is brought principally from Michigan and Canada, and is distributed through all the Western and Southern States and Territories lying East of the Sierra Nevadas. Nearly every foot of lumber, used in the buildings and structures of the Union Pacific Railway, was transported from Chicago. And it has been, and will continue to be the same, with most of the other Railways already built and being built in the States and Territories lying upon the Eastern Slope of the American Continent.

The above will give an approximate idea of the extent of the lumber trade at only two of the many lumber markets in the United States.

When to this is added the business of extensive distributing depots and markets at West Troy, Whitehall, Burlington and Ogdensburgh, for the New England States ; and those of Oswego, Buffalo, Erie, Cleveland, Toledo, Detroit, and other points, for the great extent of Country lying South of Lakes Ontario and Erie, which, in their aggregate business, must nearly if not fully, equal that of Albany and Chicago, combined ; and when the fact is considered that the business done at these markets, increases in the ratio of from ten to twenty-five per cent per annum, some idea may be formed of the present and probable future demand for Canadian lumber in the United States, to say nothing of the constantly increasing demand from more distant Countries.

I had hoped, before leaving this branch of the subject, to have embodied in this report, the full debate which occurred upon the same subject, in the American International Chamber of Commerce, held in the city of New-York, in October last, the following sketch of which appeared in some of the papers of the day :

Mr. McCREA, of Chicago,— “ If there was a cruel legislative enactment, it was that which imposed a tax on Canadian lumber, as might be seen by any one who looks at the cost of rebuilding Chicago ; and if they went to Kansas or Nebraska, which drew all their supplies from Chicago, they would find that every one would vote to let Canadian lumber come in free. He was in favour of protecting home industry ; but it was time now that Canadian lumber should come in free of duty, as the forests of the United States were dwindling away, while the lumber owners of the North-West had become millionaires, and owned pine lands by the hundred thousand acres.

“ The United States could no more continue to tax the product of the Canadian forests, than Great Britain could tax American grain. There were farmers in the West, who, on a thousand acres of land, had not enough timber to make a whip-handle,” etc., etc.

Mr. McC'LANE, of Newark,—"While the duty on lumber only produced for the Government a revenue of about one million and a half of dollars, the country paid to the lumbermen, in extra prices, increased by the duty, some eleven millions of dollars."

Another speaker said :

"Timber is getting more valuable than gold, for the first is not to be had, while the latter is."

On applying to the Honorable John Young, of Montreal, who represented the Dominion of Canada in that Board, for a copy of its proceedings, he replied as follows :

MONTREAL, 20th November, 1872.

DEAR SEYMOUR,

I have yours of the 15th. The proceedings, at New York, of the National Board of Trade, are not yet published; and I do not know that I can give you a very correct idea of the debate, which was a very long and interesting one. The following, however, was its substance :

In the debate on Timber duties, it was stated, by those practically engaged in the lumber trade, that for the eighteen years, previous to 1871, there had been cut in the State of Michigan, seven billion, two hundred million feet of lumber. Taking the average yield at three thousand, seven hundred and fifty feet per acre, gives the sum of one million nine hundred and fifty thousand acres, from which the pine has been removed in the State. It is estimated that the pine, remaining in the State of Michigan, is less than four million acres, which, at the present rate of exhaustion, would be cleared off, in from twelve to fourteen years. If the cut, however, is to be as large as it was in 1871, then the pine in the State would not last over eight years.

Taking the States of Michigan, Minnesota and Wisconsin, the total amount of lumber cut in 1870, was not far from three billions of feet, which would deplete eight ^{hundred} thousand acres. The present rate of exhaustion cannot be less than one million acres per annum.

Such is the fearful rate at which we are sweeping off our forests. The increase in the population of the United States is over one million per annum; but the increase in the demand for lumber is

in a much greater proportion than population, not only in that which is required at home, but also for exportation.

It is estimated that fully fifteen million dollars worth of timber is required annually for sleepers and cross ties for Railways; and while other commodities can be annually increased, such as wool and cotton, timber cannot be so reproduced in less than a generation; and this state of matters in the United States, makes the pine forests in Canada invaluable.

These remarks are merely the remembrance of the substance of the statements made at the meeting, but I am more and more satisfied, that in the possession of these large tracts of pine lands, as a basis for your Railway, you have what will prove of vast value.

Yours very truly,

JOHN YOUNG.

Since the above was in press, I have received the Albany Argus, of the 20th inst. from which I extract the following paragraph, respecting lumber operations at Albany, during the preceding week :

The receipts of the week are again in excess of those of the corresponding week in 1871; the aggregate receipts are now within 12,896,700 feet of the entire receipts of 1871; the prospect now is, contrary to the almost universal opinion of the District, early in the season, that the receipts of 1872 will exceed those of 1871.

The receipts at Chicago, so far this season, are 1,130,000,000 feet.

The receipts at Oswego during the week are 4,500,000 feet; at Buffalo 4,400,000 feet.

The receipts at Albany by the Erie and Champlain canals for the second week of November were :

Bds. & Sc'tl'g ft. Shingles, M. Tim'r, c. ft. Staves, lbs.

1872..... 12,179,700 115

1871 8,314,600 370,000

Of the boards and scantling received, 8,356,4000 feet were by the Erie, and 2,823,300 feet by the Champlain Canal.

The receipts at Albany by the Erie and Champlain canals from the opening of navigation, to November 15th, were :

Bds. & Sc'tl'g ft. Shingles, M. Tim'r, c. ft. Staves, lbs.

1872.. 408,496,500 11,376 7,448,600

1871.. 394,539,600 27,347 9,575 9,778,600

II.

LUMBER TRADE OF THE DOMINION OF CANADA.

The last published "Tables of the Trade and Navigation of the Dominion of Canada for the fiscal year ending 30th June, 1871, as prepared from Official Returns," contains the following tabular statement of exports of the produce of the Forest from the entire Dominion, during that fiscal year.

ARTICLES.	In British or Colonial Vessels.	In Foreign Vessels.	By Land Carriage	Total Quantiry.	Total Value.
PRODUCE OF THE FOREST.					\$
Ashes, Pot.....	13,740	109	189	14,038	521,835
" Pearl.....	2,848	229	351	3,428	114,617
Timber, Ash.....	4,360	1,506		5,866	53,545
" Birch.....	23,471	4,721		28,192	186,379
" Elm.....	20,032	7,424		27,456	267,729
" Maple.....	111	236		347	1,553
" Oak.....	79,172	15,579		94,751	1,350,821
" White Pine.....	328,872	27,450	42	356,364	3,349,161
" Red Pine.....	47,939	2,248	38	50,225	405,022
" Tamarac.....	3,261	2,231	113	5,605	13,820
" Walnut.....	625	482		1,107	36,386
" Basswood, But- ternut, and Hickory.....	1,348	736	71	2,155	45,614
Staves.....	8,750	1,422	62	10,234	668,673
Battens.....	24,507	9,117		33,624	8,047
Knees and Futtocks.....	2,098	214	3,009	5,321	4,698
Scantling.....					228,723
Treenails.....	88				88
Deals.....	101,580	39,584	247	141,411	4,862,892
Deal Ends.....	4,253	2,432		6,685	158,870
Plank and Boards.....	677,922	127,488	24,140	829,550	8,355,874
Spars.....	15,653	1,802	10	17,465	36,703
Masts.....	52			52	2,210
Handspikes.....	3,215			3,215	667
Laths.....	111,800	43,312	1,588	156,700	158,176
Fathwood.....	1,685	78		1,763	10,949
Firewood.....	70,172	138,992	2,141	211,305	474,246
Shingles.....	82,915	25,400	10,500	118,815	238,336
Shingle Bolts.....	12,829	2,151	687	15,667	64,472
Stave Bolts.....	1,772	320	6	2,098	5,954
Oak Logs.....	102	1,071		1,173	12,173
Spruce Logs.....			2,751	2,751	11,666
Pine Logs.....	11,652	1,511	41	13,204	60,626
Steepers & Railroad Ties.....	817,202	188,609	150,459	1,156,270	217,621
Ons.....	900			900	934
Other Woods.....	215,061	63,788	154,682		433,631
Total Value, Produce of the Forest.....					22,352,211

Of the above total value of exports of the produce of the forest, from the Dominion, during the fiscal year ending 30th June, 1871, 55 per cent. was from the Province of Quebec ; 27 per cent. was from the Province of Ontario ; the balance or 18 per cent. being made up from the other smaller Provinces.

It will be seen from the above tabular statement, that the total value of exports of the produce of the forest, from the Dominion, during the fiscal year ending 30th June, 1871, was \$22,352,211.

During the fiscal year ending 30th June, 1867, the total value of the same items is reported to have been \$13,948,648. Showing an increase in total value of exports of the produce of the forest, of \$8,403,563 in five years, being an average increase of \$1,680,712, or about 12 per cent, per annum.

At the same ratio of annual increase, the value of these exports, in future years, would be as follows :

In 1872.....	\$24,032,923
1873.....	25,713,635
1874.....	27,394,347
1875.....	29,075,059
1876.....	30,755,771
1877.....	32,436,483
1878	34,117,195
1879.....	35,797,907
1880.....	37,478,619
1881.....	39,159,331

Making a total of.....\$315,961,270 to represent the probable value of exports from the produce of the

forests of the Dominion, during the next decade, or from the 30th June 1871 to 30th June 1881.

It should be borne in mind, that the above amount represents only the value of the *exports* from the produce of the forests of the Dominion. It seems but fair and reasonable to assume that at least *one fifth* as much of the total produce of these forests, will be consumed in the construction of Railways, and for other purposes, within the Dominion, during the coming decade, as will be exported from it ; but to be entirely within the limits of safety, this item will be computed at *ten* per cent of the amount exported, or \$31,596,127, making with the exports, a total, in round numbers, of \$347,500,000, to represent the probable value of the produce of which the forests of the Dominion will be denuded, within the next ten fiscal years.

Assuming the above total value (\$347,500,000) of the product of the forests of the Dominion, which are thus being denuded, during the present decade, to be reduced to a quality of mixed lumbers, worth an average price of \$20 per M. ft. B. M. at the place of shipment, and it would represent 17,375,000,000 ft. B. M. of lumber.

Assuming the forest lands, which produce this lumber, to average 7,000 ft. B. M. per acre (which is considered by lumbermen as a very fair average), and we should have 2,482,142 acres to represent the area of forest lands in the Dominion of Canada, that must necessarily be cleared of its lumber product, between the 30th June, 1871, and the 30th June, 1881.

If the average yield, per acre, were confined to *Pine* lumber alone, instead of being applied to *mixed* lumbers, as above, the area to be thus denuded would be very much greater ; for the reason that pine bears a very small propor-

tion to the other merchantable lumbers, or produce of the Forest, per acre, while pine lumber bears a very large proportion to the total value of Exports, of the produce of the Forest, from the Dominion.

The Hon. John Young, in his letter quoted above, assumes the average yield of pine lumber, at 3,750 ft. B. M., per acre, for the pine timbered lands of Michigan. This must be very much greater than the average yield of pine lumber from the immense area which is annually denuded of its merchantable lumber product in the Dominion of Canada. Being without any definite data as to the probable amount, or proportion of pine, per acre, upon the forest lands of Canada, I may be pardoned for referring again to the *Adirondack*, or *Northern Wilderness* of New York.

In 1858, the owners of about 640,000 acres of the best timbered lands in that region, opened negotiations with a party of English capitalists (among whom was the eminent Thomas Brassy), with a view of enlisting them in the ownership of the lands, and in the construction of a railway for their development. A special Commission, consisting of Messrs. Bidder and Cobb, was appointed from England, to come and examine the lands in question. The Commissioners engaged the services of Mr. Thomas McCaw, of Canada, an experienced lumberman, whose operations had extended over various portions of the United States and Canada, during a period of thirty years.

Mr. McCaw, after spending several months in making a thorough personal examination of the lands, submitted to the Commissioners an estimate of the timber upon them, based upon the following average product per acre :

Pine lumber.....	3,000 ft. B. M.
Spruce and Hemlock.....	15,000 " "

Maple, Birch, &c.....	12,000 ft. B. M.
Cord wood.....	65 cords.
Hemlock bark.....	5 "

Inasmuch as the lands above referred to, were composed of choice selections, from an extent of wilderness embracing 10,000 square miles of territory, it may be safely assumed that the average product, per acre, was very much greater than it would have been, if applied to the entire territory; and that the proportion of pine lumber was quite as great, if not greater, than upon the remaining portions of the Wilderness. And yet it will be seen that the estimate of pine, per acre, was only 3,000 ft. B. M., being *one-fifth* of the spruce and hemlock; and only *one-ninth* of the Spruce, Hemlock, and Hardwoods combined.

It would therefore seem, that 2,000 ft. B. M. per acre, would be a very large estimate to place upon the average product of pine lumber upon the remaining forest lands of the Dominion of Canada.

By adding together the values set opposite the items consisting of *pine lumber*, in the above table, they will be found to aggregate \$17,753,490, or about 80 per cent of the total value of the exports of the produce of the Forest of the Dominion, during the fiscal year ending 30th June 1871. Adding ten per cent to this amount for home consumption, and we should have a total of \$19,528,839 to represent, the value of *pine lumber*, of which the Forests of the Dominion, have been denuded, during the same period.

Assuming then, that \$19,500,000 (in round numbers) was the value of pine lumber, cut from the Dominion Forests during the fiscal year ending 30th June 1871: that this lumber was cut from lands averaging 2,000 ft. B. M. per acre; and that the lumber was worth an average

price of \$25. per thousand, at the place of shipment; we should have 390.000 acres to represent the area which has been cleared of pine lumber during that fiscal year.

Assuming, again, that the demand for this class of lumber, during the next ten years, will increase (like that of the exports of the entire produce of the Forest, during the past ten years) at the rate of 12 per cent per annum, and we shall have an aggregate of 4.368.000 acres to represent the area from which the forests of the Dominion of Canada will be denuded of their product of *pine* lumber, during the present decade.

During the next decade, with the same ratio of annual increase in the demand, as in the past, the quantity of forest lands to be denuded, would be proportionately greater. And it seems to require no prophet's ken to foresee the rapid approach of the end, which, as decade follows decade, must result in the equally certain and rapid increase in the value of the remaining forest lands of the Dominion, until their merchantable product entirely disappears, as it has already done, from nearly the entire face of the American Continent.

III.

LUMBER TRADE OF THE PROVINCE OF QUEBEC.

As remarked, in my report of the 20th April last, the Government of the Province, has, for many years past, adopted the Policy of granting *Licenses* for cutting and removing the timber from the Forests; and has received a large annual revenue from that source.

The rates and regulations, which govern this branch of the Government service, will be found in Appendix No. 2.

In the last annual report of the Commissioner of Crown Lands, for the fiscal year ending 30th June 1872, I find the following:

TABULAR STATEMENT *showing the total revenue derived from Timber dues, Ground rents, Bonuses, Fines and Interests received since Confederation, for each fiscal year, up to 30th June, 1872.*

FISCAL YEARS ENDING	Fines.	Interest.	Timber dues.	Bonuses.	Ground rents from limits.	Total.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
30th June, 1868...	1,366 13	2,038 53	165,381 77	3,928 50	22,401 03	195,115 96
1869...	882 34	1,940 93	198,977 82	74,894 97	55,055 06	331,751 12
1870...	1,172 49	6,035 88	267,468 08	24,102 37	64,089 20	362,868 02
1871...	1,949 61	1,173 07	272,833 12	67,227 34	63,297 43	406,480 57
1872...	3,206 47	895 97	292,989 42	60,877 81	86,783 01	444,752 68
Total...	8,577 04	12,084 28	1,197,050 21	231,030 99	291,625 73	1,740,968 35

The above table shows a ratio of annual increase, in the revenue derived from this source, equal to about 22 per cent.

The commissioner states further, that: "The number of square miles sold at auction in 1868, was 5.644; and the total amount of bonuses realized, was \$72.053. The area comprised in the limits sold since 1868, by the Department, is 11.735 square miles; and the amount of bonuses realized is \$158.977."

It should be remarked here, in explanation of the terms *Bonuses* and *Fines*, as used above, that the *bonus*, is the amount paid to the Government by the purchaser of a Limit or District, for the exclusive right to cut and remove the timber and lumber from that district, subject to ground rent, timber dues, &c., which are to be paid thereafter to the Government as the timber product is removed; and the *fin*es are imposed, under the regulations, upon persons thus purchasing these limits, who let them remain idle, and thus deprive the Government of its legitimate revenue from the other sources; additional fines are also quite often imposed, for other breaches of the regulations.

The limits, thus purchased, are transferable upon the payment of \$8 per square mile to the Government; and they are quite often sold, immediately after purchase, either at auction, or private sale, for many times the amount paid to the Government.

The following Table will show the rapid increase in the prices of lumber, resulting from its growing scarcity, and increasing demand.

TABULAR STATEMENT showing the average market prices of the different kinds of Timber, Staves, Deals and Sawed Lumber, shipped from the Port of Quebec, during the last six years.

NAMES OF ARTICLES.		PRICES.					
		1867.	1868.	1869.	1870.	1871.	1872.
		cts.	cts.	cts.	cts.	cts.	cts.
Oak	per cubic foot..	30	35	35	36	36	45
Elm	" "	26	28	28	25	24	33
Ash	" "	15	17	18	18	18	22
Birch	" "	20	20	19	19	19	25
Tamarac	" "	15	20	20	17½	17½	20
W. W. Pine	" "	27	28	28	30	32	34
W. Pine	" "	17	20	21	22	24	28
R. Pine	" "	16½	17	17½	20	20	28
<i>Staves.</i>		\$	\$	\$	\$	\$	\$
Standard Staves	per M.....	200	200	200	248	268	290
W. O. W. India	"	70	60	65	75	60	96
<i>Deals.</i>							
W. Pine deals	per 100 Std.....	67	72	76	80	84	92
Spruce "	" "	22	22	28	32	32	36
<i>Sawed Lumber.</i>							
W. Pine	per 100 ft.....	16	18	20	21	22	25
Spruce	"	8	8	9	10	11	12
Hemlock	"	4	4	5	6	7	8
<i>Lathwood.</i>							
R. Pine	per cord	10	10	11	10	11	12
Hemlock	"	5	6	6	7	6	8
<i>Saw-logs.</i>							
W. Pine 13 ft. 21 in.....	per piece.....	1 50	1 50	1 75	1 75	2 00	2 25
Spruce 13 " 14 "	"	50	50	50	50	75	75
Hemlock	"	50	50	50	50	50	60

From which it will be seen that the average increase upon the leading classes, is from 10 to 15 per cent. per annum.

The last published "*Tables of the Trade and Navigation of the Dominion of Canada*," before referred to, contain a "*General Statement of Exports*," of the produce of the forest from the *Province of Quebec*, during the fiscal year ending

30th June 1871,—Which shows the quantity and value of each class, shipped to different countries. This statement being very lengthy, will be omitted from this Report.

The same report also contains the following :

“ Summary Statement of Exports of the produce of the Forest, from the Province of Quebec, during the fiscal year, ending 30th June, 1871.”

ARTICLES.	In British or Colonial Vessels. — Quantity	In Foreign Vessels. — Quantity	By Land Carriage — Quantity	Total Quantities.	Total Value.
THE FOREST.					\$
Ashes, Pot	Brls. 13,740	109	189	14,038	521,835
“ Penil	2,848	229	351	3,428	114,617
Timber, Ash	Tons. 4,294	1,281	.....	5,575	52,824
“ Birch	6,650	2,229	.....	8,859	72,011
“ Elm	18,745	7,037	.....	25,782	261,144
“ Maple	111	9	.....	120	1,226
“ Oak	68,978	13,569	.....	82,547	1,269,275
“ White Pine	324,321	25,965	42	350,328	3,314,354
“ Red Pine	47,800	2,190	38	50,028	404,443
“ Tamarac	3,245	2,231	113	5,589	13,756
“ Walnut	M. ft. 624	481	.....	1,105	36,312
“ Basswood, Butternut and Hickory	“ 1,260	652	71	1,983	43,894
Standard Staves	Mille. 1,115	314	.....	1,429	361,321
Other Staves	2,794	523	22	3,339	216,387
Battens	Pieces. 50	.....	.....	50	6
Knees and Futtocks	“ 3,009	.....	.....	3,009	2,728
Scantling	26,329	842,229	.....	868,558	52,797
Treenails	88	.....	.....	88	88
Deals	Stand. Bund. 40,948	23,660	247	64,855	2,934,655
Deal Ends	“ 1,389	909	.....	2,298	93,154
Plank and Boards	M. ft. 141,683	31,099	21,068	193,850	2,085,162
Spars	Pieces. 660	116	.....	776	8,263
Masts	“ 40	.....	.....	40	2,066
Handspikes	“ 3,215	.....	.....	3,215	667
Laths	Mille. 8,826	222	1,586	10,634	11,742
Lathwood	Cords. 1,484	71	.....	1,555	9,839
Firewood	“ 21	966	2,132	3,119	4,531
Shingles	Mille. 5,605	41	4,616	10,262	17,625
Stave Bolts	Cords. 6	.....	.....	6	38
Spruce Logs	M. ft. 2,751	.....	.....	2,751	11,606
Pine Logs	“ 41	.....	.....	41	286
Sleepers and Railroad Ties	 1,900	150,459	.....	152,359	16,007
Cars	Pairs. 355	.....	.....	355	359
Other Woods	\$ 27,261	21,994	154,177	.....	203,432
Total Value, Produce of the Forest .....	.....	.....	.....	.....	12,138,510

Of the above total value, the sum of \$9,029,973 was from the Port of Quebec, and the sum of \$897,098 was from the Port of Montreal, the balance (\$2,241,439) being made up from the other Ports in the Province.

The total value of these exports from the Province, during the fiscal year ending 30th June 1867, was \$8,947,000, which shows an increase of \$3,191,510 during the preceding five years, or a little more than 7 per cent. per annum.

The values set opposite the items consisting of pine lumber, in the above table, amount to a total of \$8,924,527, or nearly 75 per cent of the total value of the exports of the produce of the forests of the Province, during the fiscal year,—by adding ten per cent to this amount, for home consumption, we should have a total of \$9,816,991, to represent the value of *pine* lumber, of which the forests of the Province of Quebec have been denuded, during the same period.

Assume the above amount to be represented by lumber at \$25. per M. ft. B. M. and that the average product was, 2 000 ft. B. M. per acre, and we should have 196,340 acres to represent the area which has been cleared of pine lumber, in the Province, during the same period.

Assuming, again, that the increase in demand, will be in the same ratio, during the coming ten years, that it was in the past, and we shall have an aggregate of 2,100,838 acres, to represent the area from which the forests of the Province of Quebec will be denuded of their product of pine lumber, during the present decade, or from 30th June 1871, to 30th June 1881.

The Extract from the report of the Commissioner of Crown Lands, quoted above, shows, that 17,379 square miles (or 11,120,640 acres) are now under Government

limits. At the above rate, therefore, the limits already granted (which are believed to constitute nearly all of the available pine timbered lands in the Province) will be cleared of their product within the next *fifty years*, or within the life of the *present generation*.

It was a somewhat vague and imperfect comprehension of the foregoing facts, in relation to the lumber trade of Canada and the United States, and the rapidity with which the forests of both Countries were disappearing from our view, which formed the basis of the argument contained in my report of the 20th April last, with reference to the present and future value of the 2,000,000 acres of forest lands, which have been donated to the Railway Company, by the Provincial Government of Quebec. And the facts above presented, together with the exposition of the public feeling of the Country, as manifested through the press, and other sources, some of which will be found in Appendix No. 1, have fully satisfied my own mind, that the Estimate of five dollars per acre, or a total of \$10,000,000 for the entire grant, which was then placed upon their value, falls very far short of the amount which, by a proper administration of these lands, may be realized from them by the Company, within the next few years.

It will be admitted, however, that the entire force of the argument, when based upon the foregoing considerations, depends upon facts, so far as they can be established, with reference to the amount and quality of the timber upon the particular lands in question, together with their accessibility to market, and their value for agricultural and manufacturing purposes.

This branch of the subject, will therefore next receive our attention.

IV.

ESTIMATED VALUE OF THE LAND GRANT.

A tabular statement of the lands granted by the Government, in aid of the North Shore Railway, and contained in Blocks A, B, C and D, as represented upon the accompanying map, will be found in the "Extract from the Engineers Report, dated April 20th 1872," page 2 of this Report.

This statement shows the total quantity contained in each block; the undivided portion in each, that will belong to the North Shore Railway Company, upon the completion of the Railway; and an abstract of the official remarks upon each Block, as made by the Department of Crown Lands, upon the map furnished to the Company by that Department of the Government.

From this statement it appears, that the North Shore Railway Company will own in the respective Blocks, as follows:

Block A.....	1,140,875 acres.	
" B.....	199,431	"
" C.....	231,744	"
" D.....	427,950	"
Making a total of.	2,000,000	"

An examination of the map accompanying this report (which is accurately reduced from the map furnished by the Government) will show the position of these Blocks to be as follows:

Block A, containing 1,827,400 acres, is situated near the head of Lake Temiscamingue, upon the upper waters of the Ottawa River, adjoining the Western boundary of

the Province of Quebec, and a distance of about 38 miles in a direct line, Northerly, from the proposed route of the Canadian Pacific Railway. The official remark upon this Block is "*Pine Country.*"

Block B, containing 319,440 acres, is situated upon the head waters of the Batiscan River, which flows into the River St. Lawrence at a point about sixty miles above the City of Quebec; and it is about 32 miles in a direct line, Northerly, from the St. Lawrence River, at a point about midway between the Cities of Quebec and Three Rivers. The official remarks upon this Block are "*Well timbered—the greatest part fit for settlement.*"

Block C, containing 371,200 acres, is situated upon the head waters of the River Rouge, which flows into the Ottawa River, at a point about midway between the Cities of Montreal and Ottawa; and it lies at a distance of about 62 miles, in a direct line, Northerly, from the City of Montreal. The official remarks upon this Block are "*Well timbered—fit for settlement.*"

Block D, containing 685,460 acres, is situated upon the St. Maurice River, which flows into the River St. Lawrence, at the City of Three Rivers, midway between the Cities of Quebec and Montreal. And it lies at a distance of about 100 miles, in a direct line, Northerly from the mouth of the St. Maurice River. The official remarks upon this Block are "*Sandy Soil, Spruce, Tamarac, and some Pine.*"

The four Blocks contain 3,203,500 acres, the excess over 2,000,000 acres, being granted to the Montreal Northern Colonization Railway Company, at the rate of 10,000 acres per mile of Railway.

The Act of Parliament by which these lands are grant-

ed to the Company. contains a Schedule of the respective Blocks, in which a full description of their metes and bounds is given. A copy of this Act will be found in Appendix No. 2.

Allusion has already been made, to the statements of the Premier, and the Commissioner of Crown Lands, during the debate which preceded the Act of Parliament, granting these lands to the Company; which statements were to the effect, that no timber had ever been cut from them—that they constituted the best timbered lands then unlicensed by the Government—that they were of great value on account of the timber upon them—and that if properly administered, they would enable the Company to construct its Railway, without the aid of subsidies from Municipalities.

These statements have been fully substantiated by information since received from the Department of Crown Lands.

In the last annual report from the Department of Crown Lands, for the fiscal year ending 30th June, 1872, before referred to, the following remarks are made by the Commissioner, in explanation of the policy pursued by him in disposing of the Crown Lands; some of which remarks will be found to have an important bearing upon the relative value of the grants of land made to the North Shore, and the Northern Colonization Railways.

(Translation.)

“The territory transferred to the Province of Quebec in 1867, was far from offering the same advantages, as the one granted before. It contained, we may say, two different classes of lands; one situated at the back of the old limits, at long distances; and the other, enclosed in that part already under lumbering operat-

ions. The territory comprised in the first class, was, on account of its position, almost untouched: but owing to its remoteness, was always thought inaccessible, and of little value, by the lumbermen. So much so, that, at the public sale which took place at Ottawa in 1868, only one Quebec merchant was found to bid on a section of this territory, far more advantageously situated than the timber lands I have sold since."

"With regard to the valley of the Upper Ottawa, it was considered then, as altogether out of the region susceptible of being worked. At that sale of 1868, the greatest part of that section of the county of Pontiac, watered by the rivers discharging into the upper Ottawa, comprising the Coulange, Dumoine and Keepawa, was bought in by private individuals. Finally, after the very large reserves secured in that locality, to come in aid of certain lines of railway, of great importance to our Province, (the North Shore Railway of the St. Lawrence, and the Northern Colonization of Montreal) comprising the best wooded and most accessible and productive part of the territory watered by the Ottawa, above Lake Temiscamingue, the balance of these timber lands, respectively situated to the north and north east of those already described, were, from the information then in our possession, comprised in the valley of the lower Ottawa."

"From late surveys it was found that the River du Moine which served as a basis to the bearings of the large Victoria lake, being far from running so far inland, as indicated in former reports, changed the geographical position of the upper Ottawa which really occupied, in northern latitude, four minutes less than that first admitted. Consequently, one tier of limits already licensed, was apparently extended towards the north, and it was found that $\frac{1}{3}$ of that territory, formed part of the valley of the upper Ottawa and its tributaries; and that, necessarily, all operations in that locality must be carried on this river, above Lake des Quinze, being on an average 450 miles from Ottawa City. Many of the timber limits licensed lately, and which have caused the violent complaints against my administration of the crown lands, are situated in that locality. Nevertheless, the Bonuses received from those grants, are about the highest received in this Province.

"I must here, say, that similar remarks would be proper to the territories of the St. Maurice, the Batiscan, and other rivers, after the public sales made at Three Rivers and Montreal, and after

the best reserves secured in favor of the N. S. Railway and that of the Northern Colonization of Montreal, they did not offer, in general, but comparatively unproductive regions."

It is to be regretted, exceedingly, that the Company are not in possession of detailed Estimates, made by men of known experience and integrity upon such subjects, of the general character and probable average timber product, per acre, of these lands, like those before referred to in connection with the Forest lands of the Adirondack region, in New York.

In the absence of reliable Estimates of this character, I am obliged to refer to the following Reports, from gentlemen connected with the Provincial Government of Quebec; and letters from many of the most extensive and reliable merchants, and manufacturers of lumber, in the Province, which will show the estimate placed by these gentlemen upon the present and prospective value of these lands.

Inasmuch as these documents, some of which are tolerably lengthy, explain the reasons for the Estimates, formed by the authors, it is considered important that they be carefully read, by persons who may feel a direct interest in the subject.

*Reports and Letters respecting the Value of Blocks
A. B. C. & D*

*Mr. E. E. Taché, Asst. Commissioner, to Mr. A. J. Russell,
Crown Timber Agent.*

DEPARTMENT OF CROWN LANDS,

QUEBEC, 28th February, 1872.

MY DEAR SIR,

The Directors of the North Shore Railway, being anxious to obtain a general idea of the commercial value of the territory known and designated as Block A; situated on the Rivers Otawa

and des Quinze, as shewn on the map herewith accompanying, have the intention of applying to you for the desired information.

The Government of the Province, being well aware of the imperfect knowledge of this region up to this day, is not prepared now to take the responsibility of giving an official report, or analysis of the documents, relative to the scaling of the Main Rivers traversing this section of our country.

On the other hand, in order to give all possible assistance to Railway enterprise, the ministry have decided that the information wanted should be supplied from the best source, with the least possible delay.

In consequence, the Commissioner of Crown Lands (expressing on this subject the opinion of his colleagues) finds no objection to your furnishing the Directors of the North Shore Railway Company with a report, comprising all the knowledge you possess on the resources of the territory in question; with the agreement that it will be given under your private capacity of Provincial Land Surveyor.

It is also understood that the gentlemen above alluded to, will compensate you for all work and trouble you may undergo in preparing and compiling the necessary documents.

(Signed,) E. E. TACHÉ,
Asst. Commissioner.

A. J. RUSSELL, Esq., C. T. A., OTTAWA.

*Mr. Willis Russell, Director, to Mr. A. J. Russell, Crown
Timber Agent.*

OFFICE OF THE NORTH SHORE RAILWAY,

QUEBEC, 29th February, 1872.

SIR: You will please find enclosed, a communication from the Department of Crown Lands, in relation to the value of block "A" situated on the River Ottawa and Lake des Quinze, being one of the blocks granted, by act of Parliament, in aid of the North Shore and Colonization Railways.

This company desires to bring out a pamphlet, at an early day, in which they propose, among other things, to show the value of these lands as a basis of security for the bonds which they propose to issue in payment for the construction of this Railway;

and it is therefore important that they obtain as thorough knowledge as possible of all the facts in regard to them. As for instance, their value for agricultural purposes, the average quantity and quality of timber per acre, the facilities for getting this timber to market; how near to these lands have any limits been granted by the Government, and at what rate per square mile, together with any other information that may occur to you as being important in connection with this subject.

Your well known experience in all matters connected with the Government lands, as well as in the lumber trade generally, has induced me to apply to the Government for your aid in procuring this information for our company; and the enclosed letter from the Department will show you that it is done with the entire approval of the Government.

The North Shore Railway Company will, as a matter of course, expect to pay you a reasonable compensation for this extra service on your part.

Yours very respectfully,

(Signed), WILLIS RUSSELL,

Director N. S. R. Company.

To A. J. RUSSELL, ESQR., Crown Timber Agent, &c., &c ,
Ottawa, Canada.

*Report of Mr. A. J. Russell, Crown Timber Agent, upon the
resources and value of Block A.*

CROWN TIMBER OFFICE,

OTTAWA, 15th Nov., 1872.

Hon. JOSEPH CAUCHON,

President of the North Shore Railway.

SIR: In reply to the letter of Willis Russell, Esq., of the 29th February, I have to lay before you such information as I am able to furnish, respecting the North Shore and Colonization Companies Block A, on the Ottawa, above Lake Temiscaming, though it falls short of what is desirable.

In doing so, I shall endeavour to put together what I have been able to learn from the partial explorations and surveys that have been made on it recently; and what was previously known to me of the region in which it is situate; with such facts as to its posi-

tion, means of access to it, and its relation to proposed lines of communication, as may, taken into consideration with the progress of the Ottawa lumber trade, afford some assistance in forming an estimate of the value of this Block.

On the copy of the Departmental Map of the Province of Quebec, transmitted to me, it is represented as commencing on the western boundary line of the Province, at the rear of the Indian Reserve, about thirteen miles back from the head of the Lake Temiscaming, and extending along the boundary, due north astronomically, about thirty-three miles to the water shed dividing the waters of the Ottawa from those falling into Hudson's Bay; thence bounded northward by a line on the course at 17° East, sixty-four miles in length, and on the east side by a line running due South sixty miles, and then on the south side by a line on the course due West, twenty-three miles, to the south bay of Lake Expance on the Ottawa, which with Lac du Quinze form the southerly boundary of the Block down to the rear line of Indian Reserve, which extends from the north bay of Lac du Quinze due West about fifteen miles, to the boundary of the Province. The area thus enclosed is stated as 1,827,400 acres or 2,855 $\frac{1}{2}$ square miles.

The Indian Reserve covers the course of the Ottawa river on the north side for sixteen miles, from Lake Temiscaming up to Lac du Quinze, or ten miles and a quarter in direct distance. Above this Block it occupies the north side of Lac du Quinze and Lake Expance for thirty miles; and thence upwards, the Block embraces both sides of the Ottawa for about sixty miles of its tortuous course, which measures a hundred and five miles in length from Lake Temiscaming to the upper or east boundary of the Block.

The Ottawa is about a quarter of a mile wide, and is navigable for three miles up to the basin, at the foot of the first fall, which is about twelve feet in height. About a quarter of a mile above it is the second fall, which is like the first in height, and at less than half a mile is the third fall, above which there are twelve more rapids and falls, forming altogether a descent of upwards of one hundred and fifty feet in the sixteen miles from Lac du Quinze to Lake Temiscaming.

The direct distance, however, between the head of navigation below the first fall and Lac du Quinze, being only eight and a quarter miles, a portage road like that from this City to the Steamboat landing at Aylmer, would connect the seventy miles of navi-

gation of Lake Temiscaming, with the extensive unbroken navigation of Lac du Quinze and Lake Expanse, which, from the extremity of North arm of the former, to the east end of the latter, is fifty-two miles in length.

The North arm of Lac du Quinze extends from where the Ottawa leaves it, twelve miles Northward, to the Solitaire or Lonely Rapid, where there is a carrying place, ten chains in length, to Lake Obiraba, the waters of which extend through a chain of Lakes and are navigable to the Labyrinth Portage at the height of land, a distance of forty-five miles from the Lonely Rapids. The height of land dividing the waters, is not fifty feet higher than the surface of Lac du Quinze. This, with the River Abittibi, forms the Hudson's Bay Company's route to Lake Abittibi.

Lake Expanse is twelve miles in length, and from six to ten miles in breadth, measuring to the extremity of the Southern Bay. It receives a large tributary sixty miles in length, whose course is beyond this Block.

Lake Expanse extends ten miles eastward beyond the point where the Ottawa enters it. The Ottawa continues navigable for six miles above the Lake, to a Rapid with a descent of eighteen feet, beyond which it is navigable for twenty miles, to the Bear Chutes, which obstruct the navigation for four miles; three of them fall from ten to twenty feet, causing one Portage of three quarters, and two of one half a mile.

Five miles below the Bear Chutes, the Ottawa receives a tributary called the North Branch, a Sluggish Stream two or three chains in width, and navigable.

It forms a route of communication with the River and Lake Abittibi, but it has only a short course.

Above the Bear Chutes, there are nine miles of navigation to a Rapid and Chute of eighteen feet fall, where there is a Portage of three quarters of a mile: then thirteen miles of navigable waters to another Chute of twelve feet fall, with a portage of about one third of a mile long: then navigable water to the east outline of the Block, which apparently intersects the River near a rapid with eight feet of fall, which is sixty miles above Lac du Quinze.

Thus from the foot or outlet of Lac du Quinze, ascending the Ottawa to the first rapid above Lake Expanse, there is uninter-

rupted navigation for thirty-six miles, above which there are within the Block over fifty miles of navigable water, divided into four considerable reaches and two insignificant ones, by six rapids and falls, with portages amounting to nearly four miles.

I have given these details, because the character of the navigation afforded through the Block, is of some importance in the development of its resources.

The Ottawa has been surveyed for two hundred miles above the Block, and is reported to extend nearly a hundred and fifty miles further, which would give it a course of nearly four hundred and fifty miles above its entrance into Lake Temiscaming, but an exceedingly crooked one.

Within the Block, its waters present very great facilities for the movements of supplies into it; from the manner in which they intersect it in different directions, it is easily practicable, and has long been the established route of communication used by the Hudson's Bay Company.

And owing partly to the great volume of the Main River at all times, timber from the interior of the Block may reach market early in the season, notwithstanding the remoteness of the locality. This was made evident last summer by timber from the tributaries of Lake Keepawa, which also discharges into Lake Temiscaming, reaching this city in the early part of the season, long before timber from the upper parts of much nearer tributaries, whose waters are apt to fail before bringing the timber down to the Main River.

I have been able to speak definitely of the principal waters within the Block, because they have been surveyed; but as to the character of the land and surface, the information I have been able to acquire is much more limited and imperfect, partly of a general nature, collected in past years from Hudson's Bay officers, missionaries, and private traders; and partly of a more definite character as respects the Block, derived from the survey of the waters, and more recent private exploration by lumberers, mostly referring only to the lines of travel, and somewhat conflicting as well as meagre, as might be expected from persons to whom the character of the soil was no object. I can only state therefore what I have been given to understand alike as to the land and timber.

First, as regards the quality of the land, and its suitableness for cultivation.

As far as known, the bases of the country, like that of the valley

of the Upper Ottawa generally, is of Huronian and Laurentian formation (or what was formally called the primitive), which would render it probable as affording an equal proportion for settlement purposes as that contained in the Ottawa valley generally; which is borne out I think, as regards this Block, by what is known respecting the timber; of the timber I shall speak separately.

In speaking of the land, I beg to refer to the accompanying map. I am given to understand by the lumberers who have made considerable explorations, that the land on the west side of the north arm of Lac du Quinze and the chain of lakes connected with it, forming the Labyrinth route to Abitibi, is suitable for settlement. These explorers describe it, west of this north arm, as gently rising arable land, covered with a good growth of hardwood generally; the soil seemingly a light warm fertile loam.

As this corresponds with the description given by others, of the higher ground that bounds, to the eastward, the broad rich alluvial flats of the River Blanche, and with land seen between that river and Lac du Quinze, I believe that the whole tract lying between them, will be found to be chiefly of that description, excepting towards the height of land, or water shed, where the clay soil of the great level clay country of the North, extends down the upper courses of the waters flowing to the Ottawa, and over the lower grounds, as found on the exploratory survey of the Labyrinth portage route to Abitibi.

That part of the Block lying between its west boundary, and the north arm of Lac du Quinze and Labyrinth route, will most likely be found, for the greater part, suitable for cultivation; and, with a portage road from the first falls above Lake Temiscaming, to Lac du Quinze, would be easy of access.

As this portion of the tract is thirty-three miles in length, and from nine to sixteen miles in breadth, it contains an area of upwards of four hundred square miles.

The clay soil of the North here mentioned, is of a white or whitish colour. It is seemingly a good porcelain clay, perfectly free from lime, on being tested, and apparently free of iron. If a good bed of it could be found, meeting every requirement necessary for the manufacture of fine porcelain, it would be worth nearly a dollar a cubic foot.

Porcelain clay, though of itself hard to cultivate when pure, is a good basis for soil. When it has sufficient sand in it, it forms

a good soil. A gentleman of my acquaintance obtained thirty bushels of wheat to the acre, from a ten acre field of it, in the township of Pembroke, by proper cultivation.

The extensive flats of clay land, on the lower course of the River Blanche, which in one part extends to the west outline of this Block, are of the richest description, and large Balm of Gilead and Oak trees are found growing there.

Along the banks of Lac du Quinze, the land on both sides is described as rocky.

From the Lake upwards, throughout the Block, there is a flat belt of light sandy loam along each side of the river, extending back from it from two miles, to a quarter of a mile. Their width is described as being greater on the part of the river below the North Branch, than on that above it. These flats are arable land with a warm soil, apparently of considerable fertility. The country in rear, on the lower part, is described as rising steeply on rocky ascents into a plateau of low hills. Above the North Branch, towards the west boundary of the Block, the higher ground behind the river side flats, is, as seen from a distance, supposed to be the same as the rolling arable land, covered with mixed woods, which extends behind the river flats in part, to the distance of four or five miles, the soil of which is favorably spoken of.

As far as has been seen by explorers, this Block seems to contain on an average, as great a proportion of arable land as is commonly found in the Upper Ottawa country. Such is the opinion I am led to form of it, as far as the scanty information yet obtained from explorations, made for purposes in which the quality of the soil was not a subject of consideration.

As to the timber on this Block, though it is not usual for lumberers to communicate the results of their explorations, I am in possession of a considerable amount of information, of a general nature, respecting it.

The very considerable proportion of Pine, which this Block contains, is supplemented with a growth of Spruce, that, as the pine gets away, in future years, will in the opinion of the explorers, yield fully as great a quantity of sawn lumber, as the pine now standing will afford; and it is impossible to avoid seeing that, before very many years, at the rate at which lumber has risen in value, and must continue to rise, spruce lumber will command as high a price as pine lumber does now, a circumstance

that will tell in favor of this Block, in comparison with the timber lands of other localities, where there is no spruce to supplement the pine; and one that it is proper to take into account in estimating the value of it, as permanent property, though it would not be considered by lumberers in valuing a license, held, as they are at present, for the purpose of cutting pine.

But it would be a serious error to overlook the future continual growth of pine, which is an important item in the value of timber land as private property, and one that does not accrue to anything like the same amount, to the holder of a timber license, or from lands where the increased value of the timber is, in a great degree, taken from him in the form of increased rates of duties.

It is found on the Ottawa, that ten or twelve years after all the timber fit for making saw-logs, has been cut off a piece of lumber ground, the trees that were left as undersized, have grown so much larger as to yield a quantity of lumber equal to the first standing growth taken; and the value of the quantity last obtained, will be greater by the increase of price, in the interval which necessarily takes place, so that half the value of the present available lumber, or first growth, would be a very moderate valuation of the present worth of the second cut, and be much under the value now, of the probable future cuttings together.

It is by no means chimerical either, to take into consideration as an appreciable item, though a small one—one that should not be altogether overlooked in valuing timber land where it is permanent property—the value of the other descriptions of wood, beside pine and spruce, which will ultimately be saleable with profit, such as tamarac and cedar, for railway ties and other purposes. I am informed that the tamarac is nearly equal in quantity to half the spruce (though of a small size) on this Block. The cedar on it is said to be equal to one fifth of the tamarac.

After the Pine and Spruce are removed, the land may be taken at a considerable value, especially if that of the two last descriptions of wood, which it may yield, be thrown in with it.

In speaking, of the value of the land fit for cultivation, it is to be remarked that it would be quite a mistake to suppose that it is in a locality where settlement is not likely to take place, owing to its remoteness, or from inferiority of the climate, owing to the northerly latitude. On the contrary, the country around the head of Lake Temiscaming is the most likely place on the Ottawa, above the flourishing town of Pembroke, for the site of extensive settle-

ments; because by far the greatest extent of continuous good land is to be found there, and much of it, the richest land known in Canada. Some of the best of this adjoins this Block. The falls on the Ottawa near where it enters the lake, are situated in, or opposite the heart of this great tract of good country, and the only site there is in it; and they are of unlimited water power; and being the head of seventy-five miles of unbroken deep navigation, the landing place for reaching fifty miles or more of navigable deep water above, should naturally be the metropolis for all kinds of milling and other business of that region.

As for the climate, it is as good as that of Sorel or Three-Rivers, though in the latitude of Kamouraska; for the climate of Fort Temiscaming, though in the latitude of Isle aux Coudres, closely resembles that of Montreal, the mean heat of Summer of Fort Temiscaming being $65^{\circ} 20'$, while that of Montreal is $65^{\circ} 55'$, and that of the whole year being, at the former $39^{\circ} 49'$, and of the latter $42^{\circ} 86'$.

Agricultural settlement is required on Lake Temiscaming to some extent, to raise produce for the use of the lumber trade; the selling price of oats there is a dollar and a half a bushel; and the demand is likely to be much increased by the extension of the trade, and it will long continue.

Before its demand ceases, if we Canadians are wise enough to see to our own interests and act accordingly, we should have ten thousand seal and whale fishers to feed on Hudson Bay, when relieved from the twenty per cent duty on our whale oil by the Fishery Treaty; and the head of Lake Temiscaming is the nearest point for raising and manufacturing flour for them. Other agricultural produce they can raise abundantly for themselves around the south end of the Bay. While their oil would find a short and direct route to the American market, by the road that took them flour, and by the Canada Pacific Railway; and the Montreal merchants could have more advantageous whale fisheries on Hudson Bay, than the Americans can, inside of Bhering Straits.

British America largely surpasses the United States in the total value of all fisheries taken together. Though we have no whale fishing worth mentioning, and theirs is worth nearly five millions of dollars yearly. We might surpass them in that fishery also, for we have greatly the advantage in position.

Reverting to the value of land in this Block, besides allowing something for the circumstances that might give it additional

value for settlement, it is proper to give due consideration to the general fact, that may not as yet have received sufficient attention, in estimating the ultimate value of lumber yielding and agricultural lands.

Experience teaches us that in old agricultural settlements, after the land has been brought under perfect cultivation, and where the means of reaching market are perfected, farming land, as such, ceases to increase in value, when its yield has reached the maximum, which the Farmer can obtain from it, in return for his labor. Wheat is not annually becoming scarcer before a rapidly increasing demand and failing source of supply, like timber.

Timber on the contrary is most notoriously doing so. It has done so to a very great extent. I have known the time when as good pine lumber from the Ottawa, was sold for seven pence per foot, as that which now commands twenty-eight cents a foot, when pork and flour cost pretty much the same as they do now; and we know, absolutely, that twenty years after this, timber with a largely increased number of consumers, and greatly diminished sources of supply, will have largely increased in value; and with it, all timber yielding lands, so much so, that forest farming, will, before long, become an important subject of attention; and timber yielding lands will be a kind of property that will increase much more rapidly in value, than the best agricultural lands, especially where favorably situated on great water communications, with unlimited hydraulic manufacturing power, as there is upon this Block.

Without taking such ultimate considerations into account, I find that on estimating the timber, at present on this Block, to be what the best information respecting it warrants; assuming that one half of the lumber might be made into square timber, which yields one third more duty than saw logs, and making the most moderate allowance, of one half of the quantity of future yield, as representing its value at the present rates of duties charged by the regulations of Ontario and Quebec; adding the Government rate of ground rent on the Block, capitalised at 6 per cent, together with about one third of the average rate of bonus per mile obtained by the Ontario Government for limits lately sold north of Lake Huron; and adding thereto \$200 a square mile as a moderate estimate of the price that license holders could certainly obtain from others, and has indeed been refused, in selling licenses immediately adjoining the Block; and adding also a moderate price per

acre for the land, to cover its value and that of the cedar and tamarac on it fit for railway ties, or anything of value of other kinds of wood not now taken to market, my approximate estimate of the present value of the Block, is \$4,229,606 $\frac{100}{100}$.

But as something over the present rates of Government dues might certainly be had—and as the Governments have increased their rates of duties within the last nine years from $\frac{1}{2}$ d. to one cent and a quarter on pine, per cubic foot; and from 5d. to ten and one cent a piece on pine saw logs, and may probably make a further increase in 1878, as provided for by the present Quebec Regulations, the value of the Block may be more correctly estimated, by adding \$999,359 $\frac{87}{100}$ or 62 $\frac{1}{2}$ per cent to the amount of Crown duties at which I have estimated the pine timber and saw logs—(The increase on Ontario duties, during the past nine years, is over 75 per cent on saw logs, and the rate is still under the real value considerably, and future increase will equal the past.) This addition will increase the total value to \$5,228,965 $\frac{87}{100}$.

The rates of Bonus, or prices of new timber Berths, charged by Government on Keepawa and Lake Temiscaming limits, has varied from \$8 to \$35 a square mile within the past six years—but in view of recent high bonus obtained by the sale of limits on the north of Lake Huron, I have used \$40 as the probable bonus this Block would yield, if sold in the same manner, subject to duties and ground rent besides.

The prices asked and obtained, some time ago, for new timber berths adjoining the nearest part of this block—that is on the Indian reserve—were \$10,000 for a berth of sixty square miles, and \$8,000 for one forty square miles; the owner of the latter did not sell for that price, and would probably obtain a much larger Price now.

To exhibit approximately the rapid increase of the Ottawa lumber trade, I may state, that the revenue from my Agency is rapidly increasing; it was but little over \$200,000 annually, ten years ago, while last year it amounted to \$676,964 $\frac{73}{100}$.

Of this, the sum of.....	111,957 $\frac{62}{100}$
accrued as tolls on timber and saw logs	
passing Government Slides and Booms	—————
and the remainder.....	\$565,007 $\frac{14}{100}$

was dues accrued on square timber and saw logs cut on Crown Lands, and ground rents, and bonus on timber licenses. Part of

the increase however was due to the increase of fifty per cent on the rates of duties, and may be said also on ground rents.

The total quantity of square timber taken from the Ontario portion of my agency in 1871, including all from private as well as Crown Lands, was 14,428,361 cubic feet, worth at 19 cents a foot \$2,741,388 and saw logs 1,078,238 equal to 215,647,600 at \$11 2,372,123

\$5,113,511

From Quebec portion

square timber.....	6,477,994 at 19 cts.	1,230,818
Saw logs.....	1,145,068 or	
	229,013,600 ft. at \$11	2,519,149
		3,749,967

Total value say \$8,863,478

(*) On the accompanying small map I have traced in a general manner, the route that is known to be by far the most direct, and most favorable, for the Canada Pacific Railway, from the River Matawan to the vicinity of Lake Nipigon. It will be seen that it passes in the neighborhood of block A, coming within twenty-five miles of the falls of the Ottawa, at the head of Lake Temiscaming; and also that it will strike the shore of that lake about thirty-five miles below the head of navigation, at the falls of the Ottawa.

The superiority of this line over any other, is simple and obvious. It passes all the hilly or difficult ground on it, on reaching the mouth of the Montreal River, at two hundred and twenty-five miles, in direct distance, from the City of Ottawa; and ascends the highly favorable valley of the Montreal River, which is direct and even, and entering the great level country of the north, continues along within its margin, or near it, as may be more suitable, to the neighborhood of Lake Nipigon, before encountering any difficult country. Whereas, a line along the north side of Lake Huron and Sault Ste. Marie, and hence to the neighborhood of Lake Nipigon, were it possible to find a practicable passage that way, over the excessively rugged country noted on the plan, as ascertained from official surveys, would pass through seven hundred

(*) NOTE.—The Map referred to by Mr. Russell has been omitted. The Map accompanying this report will however be found substantially the same, except that it does not extend so far North and West as the Map furnished by Mr. Russell.

and seventy-five miles, chiefly of the most mountainous and rocky ground in the Province of Ontario, instead of the two hundred and twenty-five miles traversed by the Montreal River, through far less rugged ground, before reaching the same point, besides being about two hundred miles longer.

The twenty-five miles from Quinze or Ottawa Falls, to the Montreal River, is over even and excellent country.

The head of steamboat communication, at present in operation, at Roche Captaïne, is noted on the plan. The steamboat company it is said intend putting a steamer on the next reach above that, this summer, extending their steamboat line to Deux Rivières. No doubt the twenty miles from that, up to the Mattawan, will soon be provided for also.

From the Mattawan, to the falls of the Ottawa, at the head of Lake Temiscaming, is a hundred and four miles. To pass the obstructions just above the mouth of the Mattawan, a portage road, or rather a macadamized road of $8\frac{1}{2}$ miles is required, and another eighteen miles above that, at the foot of Lake Temiscaming, with steamers on the lower reach called Seven League Lake, and on Lake Temiscaming, to complete the communication from Montreal to the falls of the Ottawa above the head of Lake Temiscaming, a distance of four hundred and five miles.

If any of the great saw mill firms of this city were to commence lumbering operations with success, upon the Block, a steamboat would certainly be put by them on Lake Temiscaming immediately, and probably also on Seven League Lake; and their works would at once establish a village at the Falls, and cause an immediate commencement of agricultural settlement in the vicinity.

I am Sir,

Respectfully your obt. servant,

(Signed), A. J. RUSSELL.

*Hon. Joseph Cauchon, President, to the Assistant
Commissioner of Crown Lands.*

QUEBEC. 7th Nov., 1872.

SIR: In a letter from your Department, dated 28th February last, authorizing Mr. A. J. Russell, Crown Timber Agent at Ottawa,

for the Province of Quebec and Ontario, to furnish this Company with what information he possessed respecting the accessibility and value of Block A, I perceive that no authority was given him to furnish similar information respecting the other Blocks (B, C & D,) also contained in the same grant by the Government to the North Shore, and Northern Colonization Railways. This omission undoubtedly grew out of the fact that Block A, being so much larger in area than the others, they were considered as of little comparative importance. Nevertheless this Company would regard similar information upon the other Blocks, as of equal value, on account of Mr. Russell's, great knowledge and experience in all matters pertaining to the Public Lands, and I would therefore ask, whether there will be any objection to your informing Mr. Russell, that the letter of authority of the 28th February, may be regarded as extending to the other Blocks.

I have the honor to be, Sir,

Your most obedt. servant,

(Signed,)

JOSEPH CAUCHON,

President, N. S. R. Co.

To E. E. TACHÉ, ESQUIRE,

Assistant Commissioner of Crown Lands.

E. E. Taché, Esquire, Assistant Commissioner of Crown Lands, to A. J. Russell, C. T. A.

DEPARTMENT OF CROWN LANDS,

WOODS AND FORESTS.

QUEBEC, 15th Nov., 1872.

SIR: I have the honor to inform you that the authorization given you to report on the value of Railway Block A, is extended to all the lands reserved for the construction of the North Shore Railway, you can therefore report to the Company what you know and think of these lands.

I have the honor to be, Sir,

Your obedt. servant,

(Signed,)

E. E. TACHÉ,

Assistant Commissioner.

A. J. RUSSELL, Esq.,

C. T. A., Ottawa.

*Report from A. J. Russell, Esquire, Crown Timber Agent,
upon Blocks B, C & D.*

CROWN TIMBER OFFICE.

OTTAWA, 18th Nov., 1872.

SIR: Having been requested to report to you, briefly, and in a general manner, my opinion as to the value of the North Shore and Colonization Railroad Company's, Blocks B, C & D. I have to express my regret that I am not yet in possession of such positive information, as would enable me to express a decided opinion respecting them, especially Blocks B & D.

Block C, containing 371,200 acres, or 605 square miles, is very advantageously situated on the River Rouge, (which enters the Ottawa, about fifty miles above the City of Montreal), and is well watered by the Ruisseau Ford, and Macaza Creek, which falls into the Rouge about fifty miles due north from its mouth. Its south-east boundary is about fifty-five miles back from the St. Lawrence, and about twenty miles from the upper settlements on the Rivière du Nord. It is, consequently, comparatively near the City of Montreal, which should enhance the value of the land fit for settlement that it contains; while the facility of getting in supplies for lumbering, and of getting down saw logs from it, should much increase the value of the timber there is on it.

From the results of P. L. S. Wagner's exploratory survey along its south-west boundary, and P. L. S. Sinclair's survey of the River Rouge, there is reason to believe that a great portion of this Block, forms part of the large tract of land fit for settlements, with an undulating surface, and a soil of yellow and black loam of a superior quality, described in the Report of the Commissioner of Crown Lands for 1868, as the nearest, largest and best tract of unoccupied lands, suitable for settlement, in the Valley of the Ottawa; a description that has been confirmed by further explorations.

That the Block contains good pine lands, is evident from the fact, that it is surrounded by valuable timber limits;—as to what other timber of value there may be on it, I have no information.

But it is evident that the value per acre of all kinds of available timber, must, on account of the advantages of position already mentioned, be very much greater than on Block A.

Block B, has similar, or even greater advantages of position, being only thirty miles back from the St. Lawrence, and forty-five

miles from Quebec, and well watered by the River Batiscan and its branches. I have no data as to the timber on it ; but should it be such as reported, which I can see no reason to doubt, the spruce, cedar and tamarac upon it, together with the value of its future growth, would alone render it worth fully as much per mile as Block A. If there be any considerable quantity of pine upon it, its value should be considerably greater per mile than Block A.

Experience, alike here and in the United States, teaches us that timber forests, from the continual increase in the value of lumber, and from the constant growth of the younger trees, are rapidly increasing in value, and must continue to do so, at a rate to which the increase in value of agricultural lands bears no comparison.

As to Block D, on the St. Maurice, I am unable at present to give any opinion of value.

I am, Sir,

With much respect,

Your obedient servant,

(Signed), A. J. Russell.

The Honorable

JOSEPH CAUCHON,

President of the N. Shore Railway,

*Mr. A. H. Verret, Secretary, to the Hon. Commissioner of
Crown Lands.*

QUEBEC, 7th November, 1872.

To the Honorable

Commissioner of Crown Lands,

SIR,

Being desirous to give as much weight as possible to the documents prepared by Mr. A. J. Russell, Crown Timber Agent, respecting the value of lands granted to the North Shore Railway, contained in Blocks A, B, C and D, we beg of you to certify as to the general knowledge, possessed by the gentleman, on land and timber matters connected with his office, and with respect to the reputation and acquirements he has attained in his profession.

I have the honor to be, Sir,

Your most obedient servant,

(Signed),

A. H. VERRET,
Secretary.

*Mr. E. E. Taché, Asst. Comm., to Mr. A. H. Verret, Secretary,
Endorsing Mr. A. J. Russell, Crown Timber Agent.*

DEPARTMENT OF CROWN LANDS,

WOODS AND FORESTS.

QUEBEC, 8th November, 1872.

A. H. VERRET, ESQUIRE,

Secretary to the N. S. Railway Co.

SIR,

I have the honor to acknowledge the receipt of your letter of the 7th instant, requesting the Honorable Commissioner of Crown Lands to testify as to the personal knowledge possessed by A. J. Russell, Esquire, Crown Timber Agent, on land and timber matters, connected with this office; also with respect to the reputation and acquirements he has attained in his profession.

In answer, I beg to state, that I feel much pleasure to certify that in my opinion, the gentleman referred to, of all persons connected with this Department, is the best qualified to give accurate information on our forest resources.

I may also add that Mr. A. J. Russell has long been considered, with reference to knowledge and professional capacity, as one of our most able men.

I have the honor to be, Sir,

Your obedt. servant,

E. E. TACHÉ,

Asst.-Commissioner.

L. A. Robitaille, Esquire, to Hon. Joseph Cauchon, President.

DEPARTMENT OF CROWN LANDS,

WOODS AND FORESTS.

QUEBEC, 25th October, 1872.

SIR,

Having been intimately connected for the last seventeen years with the Woods and Forests Department, over which I have the honor to preside, I am in a position to give you the following information in reply to your enquiries.

All the applications for Licenses to cut timber on Crown Lands,

come through my hands, and are filed of record in my office. Several applications have been made at different times, by some of the most experienced and successful lumbermen, for the exact territory granted in aid of your road.

The eagerness and persistence with which they have urged the granting of their applications, is a proof of its value for lumbering purposes.

My constant intercourse with lumbermen and explorers, has convinced me of this fact; and I am of opinion that this territory is equal in value to any other timber limits. I consider moreover that it is easy of access, and can be worked very successfully.

With regard to your enquiry, as to the average revenue the Government will derive per acre from the Crown Lands under License, for Ground Rent, Timber dues, and Stumpage, I cannot give an exact estimate from the data I have on hand, though I do not hesitate to say that \$10.00 per acre would be a very low estimate for a period of twenty years.

This estimate is based upon the supposition, that the lands will produce a fair average of pine and spruce lumber, per acre; and that the interest upon the payments collected by the Government, is added to the principal, yearly, during that period.

I have the honor to be, Sir,

Your obedt. servant,

L. A. ROBITAILLE.

Superintendent of Woods & Forests.

HON. JOS. CAUCHON,

President of the N. S. R. Co.,

Mr. John Roche, to the Hon. Joseph Cauchon, President.

QUEBEC, 4th October, 1872.

HON. JOS. CAUCHON,

President, North Shore R. R. Company.

DEAR SIR,

In reply to your favor of yesterday, I beg to say, that I hold the adjacent lands to those granted the North Shore Railway by the Government of the Province of Quebec, known as Block

A. I have manufactured timber on these lands, during the last two winters, and brought it to this market. It arrived here about the middle of July, and was about ten weeks coming from the place of manufacture.

Although this place is upwards of three hundred miles from Ottawa City, it is more accessible than a great deal of lands not so remote, and lumber can be brought to market quicker and at less cost. The Ottawa is navigable for Steamers its whole length, excepting in the broken *reaches*; and Steamers are now upon its waters almost to Lake Temiscamingue.

I may mention that the timber alluded to was considered of the best quality of Yellow Pine, and averaged in price 28 cents per cubic foot.

I also hold the lands adjoining Block C, and manufacture saw-logs there annually, for my mill situated near this city. I get the logs to the mill in the month of June and July.

This territory is most conveniently situated, both for getting up supplies for lumber operations, and for labor: it is not more than 100 or 120 miles by water, from the City of Montreal: the quality of Pine cut in this district, is unsurpassed.

You ask me to give my opinion as to the value of the lands. I consider them of great value, irrespective of their value as agricultural lands, as they are held in fee simple, and the timber is free from all crown dues. As to their future value, I have still more confidence. Our timber lands are being rapidly denuded, and it will be no marvel to see as great an appreciation in value in this country, in fifteen years, as has taken place in the timber lands of the United States, in the last fifteen years; such lands now average in price in that country, from \$5 to \$50 per acre.

Our exports to the United States, are largely increasing annually, and it is now the opinion of many of the best informed American Lumber Merchants, that before ten years, they will have to look to Canada, entirely, for their yellow Pine.

I might write at considerable length on this subject, and quote the most reliable trade statistics, to substantiate in part the opinion I hold; but were I to do so, it would carry me beyond the limits of an ordinary letter, and would require more time than I can devote to the subject to-day.

I remain, Dear Sir,

Yours respectfully,

(Signed,)

JOHN ROCHE.

*His Worship, P. Garneau, Mayor, of the City of Quebec,
endorsing Mr. Roche.*

Province of Quebec, }
District of Quebec. }

City of Quebec,

I, Pierre Garneau, Mayor, of the city of Quebec, do hereby certify that John Roche, esquire, of the city of Quebec, merchant, whose signature is appended to the annexed letter, is one of our most extensive lumber merchants; that he possesses an experience of many years in that branch of commerce; and that his standing as such is highly respectable, and the most implicit confidence is to be placed in the statements contained in the said letter bearing the signature of Mr. Roche.

IN TESTIMONY WHEREOF, I have hereunto set my name and caused the Seal of the Corporation of the City of Quebec, to be hereunto affixed at the said City of Quebec, the fifth day of October, one thousand eight hundred and seventy-two.

(Signed), P. GARNEAU,
Mayor of Quebec.

Seal of the City
of
Quebec,

Certified,
L. A. CANNON,
City Clerk.

Mr. G. A. Gouin, to the Hon. Joseph Cauchon, President.

THREE RIVERS, 21st October, 1872.

HON. JOSEPH CAUCHON,
President, North Shore Railway Company,

SIR,

In reply to your enquiries of the 18th instant, as to my knowledge and estimate of the lands granted to the North Shore Railway Company, I beg to inform you that I am, and have been lumbering on lands adjacent to Block "B" on the River Batiscan; and that I know that block to be a virgin tract of lumber, and is as favorably located, for lumbering and agricultural purposes, as

that worked by me, which produces a very fine quality of white pine, spruce and other timber. The timber brought down this River, commands the highest price in all the markets of the world.

I may state also, that I know the region in which Block "C" is situated, on the River Rouge; and that I am also working there: this region produces a very fine quality of pine and spruce timber, and has a number of settlers, is accessible, and can be economically worked.

My knowledge of the St. Maurice Block "D" is less than that of the two blocks above referred to, though I once owned limits near that block, which I sold to an American Company having a capital of \$300,000; but I have a general knowledge of it, that timber cut on it can be brought to market the first year it is cut.

I should place a very great value on Block "A," as I am familiar with that section of the country, and the timber brought from it.

The timber from that region is brought to our market in what we call "Square Timber," for export to Great Britain and Ireland; and is invariably the best description of yellow pine, and which brings the highest price, and a never varying ready sale.

In an exact line due East from this Block, in the same belt of yellow pine, I am lumbering upon limits which are very valuable, which produce logs giving forty per cent first quality deals: the value of these limits are without doubt \$1,000 per square mile at present price of lumber, embarrassed as it is with government regulations, Crown dues, and annual ground rent.

In all limits granted us, we do not become possessors of the soil, nor do we get our lumber without an annual rent of \$2.00 per square mile, and 15 cents per log cut of thirteen feet long; while if we held the land in fee simple, much of it would yield us from \$10 to \$60 per acre.

In conclusion I am of the opinion, if you had your road finished which would entitle you to the 2,000,000 acres granted, you could at present sell the mere privilege of cutting the timber thereon, for the average Bonus, received by Government for such limits, and an annual revenue from the logs cut, and ground rent. I would myself pay 50 cents a log for the privilege of cutting timber on some of the blocks above referred to.

If these lands could be held from the market for a few years, it would be hard to estimate their value then. Judging from the in-

crease in value of timber lands, during the past five years, it would not be unreasonable to say that the 2,000,000 acres would be more than sufficient to build and equip the entire Railroad.

I am, Yours respectfully,

(Signed,) G. A. GOUIN.

*His Worship, J. N. Bureau, Mayor, of the City of Three Rivers,
endorsing Mr. Gouin.*

I, the undersigned, Mayor, of the City of Three Rivers, do hereby certify that George Alexander Gouin, esquire, is a prominent resident of this City, where he has been for a number of years, and is still successfully engaged, in extensive lumbering operations: that he has thus personally made himself acquainted with the value of the lands and timber situated on the different Rivers which run through the Blocks, referred to in his letter of the twenty-first instant, addressed to the Honorable Joseph Cauchon, President of the North Shore Railway Company, and that I therefore consider his information reliable and correct.

In witness whereof, I have affixed my hand and Seal at the City of Three Rivers, this twenty-fifth day of October, in the year of Our Lord, one thousand eight hundred and seventy-two.

(Signed,)

J. N. BUREAU,

Mayor.

Mr. Benson Bennett, to the Hon. Joseph Cauchon, President

QUEBEC, 25th October, 1872.

HONBLE. JOSEPH CAUCHON,

President, North Shore Railway Company.

SIR,

As requested, I have carefully examined the letter addressed to you by Mr. G. A. Gouin, under date of Three Rivers, 21st Oct., 1872, and can with confidence confirm the statements made therein as to the quality of the timber cut from the limits adjoining that portion of lands granted to the North Shore Railroad Company, known as the block B, on the Batiscan, and block C, on the River

Rouge. I can also confirm the statement in his letter, as to the quality of the timber brought down from the limits mentioned therein, as being in an exact line due East from the block A. Mr. Gouin has had much experience in the working of timber lands, and has acquired a great deal of information about Canadian forest lands, and I place every confidence on the correctness of information received from him.

In conclusion, I am of opinion that these lands are at present of very great value, and as timber lands, will increase in value every year.

I am, Sir,
Yours very respectfully,
(Signed,) BENSON BENNETT.

*His Excellency Sir N. F. Belleau, Lieutenant-Governor of
the Province of Quebec, endorsing Mr. Bennett.*

(Translation.)

I have known Mr. Benson Bennett, merchant of Quebec, a long time, and I certify with great pleasure as to his honorable character, and of the entire confidence I put in his reports on matters of fact.

(Signed,) N. F. BELLEAU,
GOVERNMENT HOUSE,
Quebec, Oct. 25th, 1872.

George B. Hall, Esq., to the Hon. Joseph Cauchon, President.

QUEBEC, 21st November, 1872.

The Hon. J. CAUCHON,

President North Shore Railroad.

DEAR SIR,—I have carefully considered the letter addressed to you by Messrs. Bennett, Roche and Gouin, on the subject of lands granted in aid of North Shore Railroad, and desire to confirm, to the best of my judgment, the views of these gentlemen upon this subject.

The tenure upon which these lands are held, gives to them a very great advantage over lands held as limits under license from

the Government. The tenure referred to, gives to these lands granted the N. S. R. Co., a permanency and interest in the soil, which cannot be claimed under the license system ; and in addition the limits are taxed with a Bonus, annual ground rent, Duties on Timber and saw logs, and licenses renewable every year ; any failure of the obligations under the regulations, renders the limits liable to forfeiture.

Such lands in fee simple, moderately well timbered with Pine, and in convenient locality, will readily command five dollars per acre at this time. The progress of lumbering operations for the last five years, has greatly enhanced the value of timbered lands and limits.

The construction of your road will, in my opinion, tend much towards the growing prosperity of the Country ; and the increasing demand for timber, and manufactured lumber, must place the value of these lands, five years hence, far beyond any estimation which can be placed upon them at this time.

Yours very truly,

(Signed),

GEO. B. HALL.

*His Worship P. Garneau, Mayor of the City of Quebec, endorsing
Geo. B. Hall.*

CITY HALL.

QUEBEC, November, 1872.

I, the undersigned, Mayor of the City of Quebec, Dominion of Canada, do hereby certify that George Benson Hall, Esquire, of the said City of Quebec, is one of the most extensive lumber merchants in the Dominion of Canada, wherein he has been engaged for a great number of years, and that the most implicit confidence can be placed in any statement made by him in respect of the said lumber trade and value of timber lands, and that great reliance can be placed on any estimate he may make of the present and future value of timber lands in the Country.

(Signed),

P. GARNEAU,

Mayor of Quebec.

Seal of the
City of
Quebec.

Abstract of the foregoing evidence.

Mr. A. J. Russell, Crown Timber Agent at Ottawa, for the Provinces of Quebec and Ontario (embracing what is known as the "Upper Ottawa District") whose knowledge and professional capacity are strongly vouched for, by the Assistant-Commissioner of the Department of Crown Lands; in reporting upon Block A, and giving the strongest assurances, as to its accessibility to market—the valuable growth of pine and other merchantable timber upon it—the water communications through it—the large proportion of its area which is fit for cultivation and settlement—and the extraordinary facilities that exist within and around it, for manufacturing purposes, and the establishment of centers of trade and commerce; estimates the present value of the entire Block, when computed by the existing standard of Government bonuses,—ground rent, &c., and adding a moderate price per acre for the land, to be \$5,228,960, or in round numbers \$5,229,000.

Block A. contains 1,827,400 acres, and the average price per acre would therefore be \$2.86. At this rate, the quantity granted to this Company in that Block (1,140,875 acres) would amount to \$3,262,902.

The same gentleman, in reporting upon Blocks B & C, says, that from their superior location, and other advantages mentioned at some length, he regards the value of the Blocks as being considerably greater per acre than that of Block A.

It is quite unfortunate that Mr. Russell did not indicate, by figures, the exact value per acre which he would place upon Blocks B. & C. But his statements seem to be so emphatic, with reference to their great superiority over

Block A, that it appears quite safe to assume that he would not have placed the value of these Blocks at less than double the price per acre, that he placed upon Block A, which would have been \$5.72 per acre—we will assume, however, that his estimate of the value of these Blocks would be but \$5 per acre.

The quantity granted to this Company, in Blocks B. & C. is 431.175 acres, which, if computed at \$5. per acre, would amount to \$2,155.875.

Block D, not being within Mr. Russell's District, he places no estimate upon its value—but it will undoubtedly be safe to assume that he would not estimate its value at less per acre, than that of Block A, or \$2.86 per acre.

The quantity granted to this Company in Block D, is 427.950 acres, which, being computed at \$2.86 per acre, would amount to \$1,223.937.

The estimate placed by Mr. A. J. Russell upon the lands granted to the North Shore Railway Company, in the respective Blocks, may therefore be stated as follows:

Block A.	1140.875 acres,	at \$2.86 per acre.....	\$3,262.902
“ B.	199.431 “ “	5.00 “	997.155
“ C.	231.744 “ “	5.00 “	1,158.720
“ D	427 950 “ “	2.86 “	1,223.937

Or a total valuation of..... \$6,642.714

Before leaving Mr. Russell's estimate, I desire to state, with the greatest respect for his views and opinions, (he having been an agent of the Land Department since 1845,) that, in carefully perusing his very valuable and interesting report upon Block A, I became impressed with the opinion, that his estimate of its value depended, almost entirely, upon the amount which he could satisfy himself the

Government would receive from bonuses, ground rent, &c., &c., growing out of its lumber product, during the few years which would be required, after the sale of its limits, to transfer the lumber to market; rather than to an amount which, in his opinion, a large lumber merchant, and capitalist, could well afford to pay for the *fee simple* of the Block, which, after being secured, would insure to him, during all time, the privilege of cutting the lumber, and improving the lands, and water privileges, at discretion, without being subjected to the constant payment of *bonuses*, *ground rents*, *finer*, and other numerous charges to the Government.

Mr. L. A. Robitaille, Superintendent of Woods and Forests, in the Department of Crown Lands,—after stating that the lands in question had been eagerly sought after, “by some of the most experienced and successful lumbermen in the country”; and also, that “I am of opinion that this territory is equal in value to any other timber limits. I consider moreover that it is easy of access, and can be worked very successfully”: says, that he estimates the average revenue which the Government will derive, per acre, from the Crown Lands under License, to be equal to \$10. per acre, for a period of twenty years.

Inasmuch as \$5, if placed at interest, would produce about that amount at the end of twenty years, it is assumed that Mr. Robitaille would place at least that value upon these lands—His estimate of total present value will therefore be placed at \$10,000,000.

Mr. John Roche, who is an extensive merchant and manufacturer of lumber; and whose statements are fully endorsed by His Worship, the Mayor of the City of Quebec, says :

"I consider these lands of great value independent of their value as agricultural lands; as they are held in *fee-simple*, and the timber is therefore free from all Government dues.

"In the United States such lands now average in price, from \$5. to \$50. per acre."

It seems safe, therefore, to conclude that Mr. Roche would not estimate these particular lands, at less than \$7.50 per acre, which, for the 2,000,000 acres, would amount to \$15,000,000.

Mr. G. A. Guoin, of Three Rivers, who is also a large dealer in, and manufacturer of lumber; and whose statements are verified by the Mayor of that City, says:

"Judging from the increase in the value of timber lands, during the past five years, it would not be unreasonable to say, that the 2,000,000 acres would be more than sufficient to build and equip the entire Railroad."

Inasmuch as the contract price for building and equipping the Railway, is \$7,000,000, his estimate of the value of the lands will be placed at that amount.

Mr. Benson Bennett, who is also an extensive lumber merchant, and whose honorable character is certified to, by His Excellency, the Lieutenant-Governor of the Province, fully endorses Mr. Guoin's statements and estimates; and says, in conclusion:

"I am of opinion that these lands are at present, of very great value; and, as timber lands, will increase in value every year."

Mr. Bennett's Estimate will therefore be placed, the same as Mr. Guoin's, at \$7,000,000.

Mr. George B. Hall, one of the largest, and perhaps the largest owner of timber lands, and limits, in Canada; and an extensive merchant and manufacturer of lumber; and, as to the reliability of whose statements, His Worship, the

Mayor of the City of Quebec, gives the most unqualified endorsement, says :

" Such lands, in *fee-simple*, moderately well timbered with Pine, and in a convenient locality, will readily command \$5 per acre, at this time "—making a total value of \$10,000,000.

A very interesting account of the business done at Mr. Halls Montmorency Lumber Mills, will be found in Appendix No. 1.

Recapitulation of Estimated Value.

Mr. A. J. Russell.....	\$ 6,642,714
" L. A. Robitaille.....	10,000,000
" John Roche.....	15,000,000
" G. A. Gouin.....	7,000,000
" Benson Bennett.....	7,000,000
" George B. Hall.....	10,000,000
Total, divided by 6.....	<u>\$55,642,714</u>

Makes an average estimate of\$ 9,273,786

to represent the present value placed by these gentlemen upon the Company's Land Grant of 2,000,000 acres.

If Mr. A. J. Russell, in preparing his estimate, had taken into account the full value and importance of the fact, that these lands will be held by the Company in *fee-simple* ; and thus be free, during all time, from Government dues, &c., which fact seems to have had great weight, with the other gentlemen whose estimates are given above, I have no doubt that the above average would have been quite up to the sum of \$10,000,000 ; in which case it would have verified, in a remarkable degree, the estimate contained in my previous report.

Whatever may be the importance attached to the above estimates, as representing the honest, though widely differ-

ing views of the most intelligent and reliable men in Canada, with reference to the present cash value of these lands; it must be admitted, that the reports and letters of these gentlemen, are in full accord respecting all the important elements which go to make up their present value, as well as their rapidly increasing value in the future.

A careful perusal of these documents, will show a remarkable unanimity of evidence, as to the accessibility of all the lands in question—the large amount of Pine and other valuable timbers upon them—the adaptability of a large proportion of the lands to settlement, after the timber product has been removed—the importance attached to the fact of their being held in fee simple, and consequently not chargeable with Government dues—and the rapidly growing demand, both in the United States, and Canada, for lands of this description, both on account of the increasing prices of lumber, and the rapidly diminishing supply.

The accumulated and unquestionable evidence upon these points, seems to establish the fact, most conclusively, that the lands in question, come fully and fairly within the scope of the argument contained in the report of 20th April last, and also in a former part of this report; which argument was based entirely upon a review and consideration of the general facts and statistics, relating to the lumber trade of Canada and the United States.

It should be mentioned, that the Government has determined, under the provisions of the Act granting these lands, to convey to the Company, "for each twenty-five miles of Road completed, a portion of the said lands, proportionate in extent, to such length of Road." A copy of the order in council upon this subject, will be found in Appendix No. 2.

Future considerations will, of course, determine, as to whether the true interests of the Company will be best promoted by the acceptance of the lands in this manner.

s to
best
aner.

V.

CONCLUDING REMARKS.

The foregoing simple, and, as I believe, truthful statements, with reference to the magnitude of the lumber trade of the Country; the very rapid decrease in the area of the Forests which are now relied upon, *solely*, to supply the constantly increasing demand for this great staple of industry and commerce, upon both Continents; and the consequent great and rapidly increasing value which must attach to these Forests, during their short lifetime; together with the evidence as to the superior quality of the lands under consideration, seem to require no amplification, or embellishment, at my hands, in order to establish the Corollary, that the magnificent land grant of the North Shore Railway Company, will, if properly administered, prove to be of almost incalculable value, long before the mortgage bonds, which have become a lien upon it, will reach their maturity.

These mortgage bonds, amount to \$6,000,000, and they mature 1st July, 1907—or within a little more than thirty-four years from the present date.

A copy of the Mortgage and Bond, as executed by the Company, and registered in the proper offices, will be found in Appendix No. 3, from which it will be seen, that the mortgage is a lien, alike, upon the lands, and upon the Railway and Franchises of the Company.

The policy of the Company in mortgaging these lands, in connection with the Railway, in order to secure the means with which to construct and equip the Railway, is

unquestionably the one, of all others, which will insure the largest ultimate results from the proceeds of these lands; for the reason, that, if the net earnings of the Railway will pay the interest upon the Bonds, the lands, together with their product of timber, may remain *intact*, until the principal becomes due on 1st July, 1907, or thirty-five years hence.

That there can be no reasonable doubt that the net earnings of the Railway will much more than pay this interest, as it accrues, I think, has been clearly demonstrated, in the report before alluded to, of April 20, 1872; the results of which are briefly stated upon the second page of the present report.

It has been demonstrated, in the preceding pages, that the *Pine* timbered lands of the Province of Quebec, "will be cleared of their product, within the *next fifty years*, or within the life of the *present generation*."—If this be so, it seems impossible to name an amount, that would be considered within the bounds of reason, which would fairly represent the value of the virgin forests, that will be standing upon the land grant of this Company, thirty-five years hence, or at the maturity of these bonds.

It may not be unprofitable, however, before closing this report, to glance at the probable results which would have followed the adoption, by the Company, of the policy of selling licenses, or limits, upon these lands, in the manner adopted by the Government, instead of the policy already adopted, of holding them intact, until the maturity of the bonds; or the alternative policy, as provided for in the mortgage, of surveying and selling, with the consent of the Trustee, any portion of the lands, or the timber standing thereon, at not less than their appraised value, and paying

over the proceeds thereof to the Trustee for investment, as provided for in the mortgage.

Mr. L. A. Robitaille, in his letter quoted above, says, that the average revenue which the Government will derive per acre, from the Crown Lands under license, for ground rent, timber dues, stumpage, &c., will amount, at a very low estimate, to \$10 per acre, for a period of twenty years, provided the lands will produce a fair average of pine and spruce lumber, per acre.

By investing this amount in the Bonds of this Company, or other securities of equal value, drawing 7 per cent. interest; and compounding the interest for a period of ten additional years, the capital thus invested would, at the end of thirty years, be represented by \$19.67 per acre—or, for 2,000,000 acres, by *the enormous sum of \$39,340,000.*

Mr. Jas. R. White, an experienced and reliable expert and accountant, in the lumber business of Canada, has kindly furnished me with the following estimate, computed upon bases differing, somewhat, from those adopted by M. Robitaille.

Quebec, Nov. 28, 1872.

GENL. S. SEYMOUR,

Engineer in Chief N. S. R.,

SIR,

At your request I have prepared the following estimates, which I believe to be correct.

Estimated revenue from 2,000,000 acres timber land, for a period of thirty years.

The calculation is based upon the timber itself, at the rates at present charged by Government, for timber licenses, and does not include any estimate for the soil for

settlement purposes; or any future growth of timber, which will be of considerable value.

2,000,000 acres timber land (3126 square miles) granted on licenses at \$40 per square mile, with \$2,00 annual ground rent, at the end of 30 years, with interest. \$1,565,500

Stumpage

Calculating the yield per Acre to be

2500 feet Pine	at \$0.75 cents.	
2500 " Spruce	at 0.60 "	
2000 " Hardwood, Cedar,		
Tamarac, &c.	at 1.00 "	
7000 " At an average interest of 15 years.		
Not including growth, will realize		\$24,060,000
Total.....		\$25,625,000

Respectfully Yours,

JAMES R. WHITE.

The foregoing estimates are computed for a period of thirty years, extending from the commencement of the creation of the sinking fund, July 1st, 1878, to the period of the maturity of the Bonds, July 1, 1907.

It will be observed, that neither of the above estimates, include anything for timber remaining upon the lands, after the present merchantable product has been cut off; nor for subsequent crops of timber; nor for the lands, after the entire product of timber has been removed.

After the foregoing consideration of this whole subject, and the close study which I have been able to give, (while engaged in the location of the line of the Railway during the past season), to the present, and the rapidly increasing

resources of the Country through which it passes; and my observation of the great amount of through business, which must necessarily come over the road, by means of its connections, both east, and west; together with the facts presented in my report of the 10th October last, upon "*Location and Construction*," with reference to alignment, gradients, length of Road, freedom from snow blockades, &c., which important characteristics, as stated in said report, "combine to make the North Shore Railway, a most favorable route for the transaction of a heavy passenger and freight business," I cannot avoid the conviction, that the Conclusions which were arrived at in my report of the 20th April 1872, may be safely regarded as the lowest or *minimum* estimates, which should, under the most unfavorable circumstances, be placed, either upon the net earnings of the Railway, or the present cash value of the lands. The conclusions above referred to were expressed, as follows:

Thirteenth.—The probable *Net Earnings* of the Railway, from its local and through business, during the first year, will amount to \$846,414.80; being equal to the interest at 7 per cent. upon a capital of \$12,091,640. And they will probably increase at the rate of 10 per cent. per annum thereafter.

Fourteenth.—If the estimated net earnings of the Railway during the first year, are *reduced 50 per cent.* they will pay the interest upon the \$6,000,000 Mortgage Bonds of the Company.

Fifteenth.—The 2,000,000 acres of Timber Land, granted by the Canadian Government, are worth to the Railway Company, at least \$5 per acre; or *an aggregate of \$10,000,000.*

Sixteenth.—The *Railway and Franchises* of the Company, *independent* of the Lands granted by the Government afford an *unquestionable security* for the payment of the *Interest* upon the Mortgage Bonds of the Company ; together with a *reasonable security* for the payment of the *Principal*, at maturity.

Seventeenth.—The *Lands* granted by the Government, *independent* of the Railway and Franchises of the Company, afford an *unquestionable security* for the payment of the *Principal* upon the Mortgage Bonds of the Company at maturity ; together with a *reasonable security* for the payment of the annual interest upon the Bonds.

Eighteenth.—Consequently, the Railway and Franchises of the Company, *Combined* with the Lands granted by the Government, afford an *Unquestionable Security* for the payment of both the *Interest* and *Principal* of the Bonds of the Railway Company ; AND THEREFORE ESTABLISH A BASIS FOR A LOAN OF \$6,000,000 WHICH IS NOT EXCELLED IN VALUE BY ANY SECURITY OF THE KIND EVER OFFERED IN THE AMERICAN OR FOREIGN MARKETS.

All of which, is most

Respectfully Submitted,

SILAS SEYMOUR,

Engineer in Chief.

To the Honorable,

JOSEPH CAUCHON, President

Of the NORTH SHORE RAILWAY COMPANY.

ADDENDA.

The following important letter, from the Department of Crown Lands, has been accidentally omitted from its proper place, immediately after the quotation from the Commissioner's report upon page 31, of the foregoing report.

PROVINCE OF QUEBEC, DEPARTMENT OF CROWN LANDS,

Quebec, 4th October, 1872.

The Honorable JOSEPH CAUCHON,

President, N. S. R. Co., Quebec.

Sir,—I have the honor to acknowledge the receipt of your letter of the 4th inst., in which you express the desire of obtaining from this Department certain data of a nature to dissipate some unfounded statements circulated in London, by which the lands granted to the North Shore Railway Company are represented as inaccessible and at present worthless.

In answer, I beg to state that, although to my knowledge, no lumber has ever been manufactured from the lands comprised in block A, situate at the head of Lake Temiscamingue, however the limits granted to the South, and adjoining this tract, have been very successfully worked last season; that the territory south of said block is all granted; that on the east is either granted or applied for, and that on the south-west, in the so-called Indian Reserve, is equally disposed of.

Moreover, judging from the number of applications for these

lands, and the eagerness manifested to secure them and those adjoining, I am led to believe that they must be fully of an average quality.

With respect to Block C, I may simply mention that it lies in the centre of one of our best timbered districts, of easy access. The same remark applies to Block B, on the Batiscau.

As to the St. Maurice Block D, although more distant than the two last ones, its situation offers no important obstacle to its being favorably worked.

On the whole, I may add that the above-stated facts have come to my knowledge in my official capacity, and that they are not given so as to implicate any Government Guarantee to the value of the territory so granted.

I have the honor to be, Sir,

Your most obedient Servant,

E. E. TACHÉ,

Assistant Commissioner of Crown Lands.

The above letter was approved by the Lieutenant-Governor in Council, before being transmitted to the Company; and the statements which it contains, when taken in connection with the declarations made by Government Ministers in Parliament, and in the foregoing extract from the Annual Report of the Commissioner of Crown Lands; together with the letter from the Superintendent of Woods and Forests, without regard to the evidence of private individuals, seem to establish the fact, most conclusively, that these lands are easily accessible, and that they are fully up, if not superior, to the average quality of Crown Lands now under license by the Government.

It may not be improper to state, in connection with the foregoing letter, that "the unfounded statements circulated in London" therein referred to, were made by parties interested in the Grand Trunk Railway of Canada; and that the President of that Company, during his recent visit

to Canada, stated to a gentleman in Montreal, that "*he would use every means, and every effort to prevent, either the North Shore Railroad, or the Northern Colonization, from obtaining any money in London, even if the effect of his so doing should damage all Canadian securities.*"

While the means taken by the Officers of the Grand Trunk Railway to effect their avowed object, may be regarded as entirely unjustifiable, in view of the foregoing facts, yet it has always been foreseen and assumed, that the representatives of that interest would resort, at the least, to every honorable means within their reach to prevent the construction of rival lines, the great advantages of which, as regards distance, alinement, gradients, freedom from snow blockades; and also in their western connections with the Great Lakes and the Pacific Ocean; as well as their eastern connections with deep ocean steam navigation upon the Atlantic, must eventually prove so disastrous to their own interests.

It is quite fortunate however, that the means of correcting these misrepresentations are so easily accessible; and that the facts, in relation to the great superiority of the route, both for local and through business; and the admitted present value of its land grant, together with its almost incalculable value in the near future, which are presented as a basis for credit, on the part of the North Shore Railway Company, are so entirely beyond the reach of successful contradiction.

S. S.



APPENDIX.

No. 1.



APPENDIX.

No. 1.

EXTRACTS FROM THE PRESS.

The following extracts from some of the leading papers in Canada, and the United States, and from discussions in Boards of Trade, and in Parliament, will show the present drift or tendency of public opinion, respecting the present and prospective value of the timber lands of the Dominion.

From the "Journal de Quebec," of October 22nd., 1872.

(Translation.)

"We all have seen the results of the sale of the public lands at Toronto; and the transactions in the same city which immediately followed between individuals should be a convincing proof that we are on the threshold of new times in lumber operations, and consequently in the sale of timber limits. If we follow the transactions of every day in timber limits, we shall soon become convinced that the price of limits is increasing prodigiously.

"The question is not what were the lands worth two or three years ago, but what is their *actual* value to-day, and what will they be worth in two or three years hence? We know that timber lands in the United States are worth from \$5 to \$50 per acre, that these are becoming exhausted, and that Americans are loudly demanding that all duties on Canadian lumber be at once taken off; because the demand for our timber is constant and increasing. And we know moreover that two or three years ago, lumberers would not take at any price the tracts that have just sold for so high a price at Toronto. They answered the Crown Land agents who offered them:—

"We see no reason why we should purchase them now when we do not require them, as when we do require them, we shall always be able to purchase them.

"The price and ground rent prevented their purchase. And now listen to the language of the best informed men on these subjects in the American Union before the Chamber of Commerce of the United States:—

Mr. McCREA, of Chicago,—“If there was a cruel legislative enactment it was that which imposed a tax on Canadian lumber; as might be seen by any one who looks at the cost of rebuilding Chicago; and if they went to Kansas or Nebraska, which drew all their supplies from Chicago, they would find that every one would vote to let Canadian lumber come in free. He was in favour of protecting home industry, but it was time now that Canadian lumber should come in, as the forests of the United States were dwindling away, while the lumber owners of the North-West had become millionaires and owned pine land by the hundred thousand acres.

“The United States could no more continue to tax the product of the Canadian forests than Great Britain could tax American grain. There were farmers in the West who on a thousand acres of land had not enough timber to make a whip-handle,” etc., etc.

Mr. McCLEAN, of Newark,—“While the duty on lumber only produced for the Government a revenue of about one million and a half of dollars, the country paid to the lumbermen in extra prices, increased by the duty, some eleven millions of dollars.

“These are the utterances of the representative men of commerce from the Western and Eastern States—are the words which at once evidence their actual situation, and increase the actual value of our forests at present, and their undeniable increasing value in the near future.

“Higher up we stated that lumber land sold in the States from \$5 to \$50 per acre. Well then let us take the minimum and say \$5—and you will have for the 892,160, the sum of \$4,460,800. There is not an acre of lumber land which will not be worth double that amount, that is to say, \$10 per acre within two or three years. In the United States we have an immense market always craving for our lumber, and now that they have exhausted their own forests, the Americans are looking with anxiety for the requirements of ours. One of the speakers at the Commercial Congress, spoke plainly on this point. “Timber is getting more valuable than gold, for the first is not to be had, while the latter is.

“They are very straightened in their views or else very vicious

who make it their duty to depreciate the value of our timber lands."

From the "Morning Chronicle," of Quebec, of Oct. 25th, 1872.

THE NORTH SHORE RAILWAY.

It is unfortunately the habit of a great many people both in the city and Province of Quebec to depreciate their natural and artificial advantages, and raise on all occasions, suitable or unsuitable, a melancholy chorus of complaints and lamentations. Everything in the shape of action, seems in their gloomy vision, a blunder or a misfortune, pregnant with all sorts of disasters at no distant day. This country is painted as a woe begone land of retrogression, a species of inferno devoid of hope or prospect for the boldest and cleverest adventurers within its portals. That such jaundiced views should prevail with the enemies of this city and province is not surprising, disparagement and defamation suit both their feelings and purposes. But it is marvellous that men of wealth and energy—intelligent citizens, who own a stake in this country, and around whose institutions, social and political, their affections twine, should so readily join in the exaggerated plaints of its adversaries, and help to bring about those very misfortunes all affect to deplore in advance. The enlightened, true friends of Quebec, are sick of this everlasting whine and wail, and anxious to contribute by voice, act and influence to raise the land from the slough of despond into which it has, or appears to have fallen. Among the various projects designed to effect a consummation so desirable, or to mend materially the circumstance of Quebec, none takes higher rank in popular faith and esteem than the North Shore Railway. Men with a clear appreciation of the commercial disadvantages under which our good city and the region tributary to it, have so long laboured, have often asked themselves with a feeling of surprise, not unminged with remorse—why has not this road been constructed long ago? The most stupid individual of to-day admits the immense value of this cheap and rapid means of communication. The age is essentially an age of Railroads. They are the first thing thought of by every coloniser, speculator, merchant or patriot. Nobody dreams of entering a country cut off from connection with the chief centres of thought and activity by wide tracts of prairie and forest. The railroad must be in existence, or in process of construction, to afford the

requisite encouragement to the hardy pioneers of progress and civilization. Now it would be extraordinary that the North Shore of the St. Lawrence should advance in settlement and prosperity anything like as fast as regions aided by the stimulating, productive agencies of the steam-engine, the greatest factor in modern progress. That our North Shore country, with its Capital, Quebec, has done as well as we see, under present circumstances, is really remarkable. As it is, we have a large tract of country more densely populated than any other district in this Province, excellent farm-houses and barns; good substantial dwellings of all kinds are common enough all along the projected line of railway—evidence of a comfortable, well-to-do people. The fact but proves the capacity, the vitality of the Province, with its power of production, recuperation and development, even in the absence of very favourable opportunities. These truths are thoroughly understood by the constructors of the North Shore Railway, who know the district to be intersected, its people and all the resources available for the completion of the undertaking. We are heartily glad to see the progress already made, despite the indifference of some and the tacit hostility of others. Mr. Hulbert's work is apparent in several miles of a good road-bed, ready for the rails, and in much preliminary labour, whose fruits in a rapid advance towards Portneuf and Three Rivers may be looked for at an early day. The main question with regard to this Railroad has been and is the money. Well, on this head we have reliable and cheering assurances. There exists the best prospect of raising the six millions required to give us quick, safe and cheap communication with Montreal at all times of the year. The matter is in a fair way of an early and satisfactory solution. And why not? Look at the security—at the substantial equivalent for the bonds of the Company! Two millions of acres of wild lands, much of it clothed with good merchantable timber, and a great deal fit for all the purposes of agriculture. Then comes the million of dollars voted by Quebec, to be paid as the work advances. Thus, we have a triple guarantee of good faith and public service—in the lands themselves, the city grant, and the road, which all men can see moving forward, and which nobody can destroy or carry away. Now, where are the lands, and what are they really worth? We have gone to some trouble for information on this interesting subject, and will give the results of our researches. The map of the Province helps to answer these questions. There are four main

blocks of land thus described: A is $196\frac{1}{2}$ miles in a direct line from Ottawa City, forming a part of the valuable pine region and offering solid attractions to the lumberman; B is 31 miles in a direct line from the St. Lawrence River, at Portneuf, well timbered and fit for settlement; C is 68 miles in a straight line from Montreal, and of the same quality of land as B; D is $96\frac{1}{2}$ miles in a direct line from the St. Lawrence at Portneuf, consisting mainly of a sandy soil, covered with tamarac, spruce and other timber indigenous to the district. Let us see the value of those blocks, as estimated by an influential gentleman in the timber trade, whose shrewdness and knowledge of the country none can gainsay. He feels justified in saying that block A, comprises 1,827,400 acres, is worth four dollars per acre, or a total of \$7,309,600; B, 319,440 acres, three dollars—total, \$958,320; C, 371,200 acres, five dollars—total, \$1,856,000; D, 685,460 acres, one dollar and a half—total, \$1,028,190. Grand total value of the 3,203,500 acres appropriated to the North Shore and Northern Colonization Railways, of which two millions belong to the former—\$11,152,110. Now in the item of land alone we here find sufficient means, or security for the necessary capital for the building of our Railway. Indeed, assuming even a lower estimate as the value of the lands, they should produce all the money desired. We should hope that there would be little difference of opinion as to the correctness or approximate correctness of the above judgment. With respect to the quantity of the land, there is no room for doubt, and when any one thinks of the enormous rise in the price of timber, of all kinds, within the last few years, and of the amount procurable within the wide stretches of virgin forests handed over to the Company, he can scarcely fail to arrive at any other than the above gentleman's conclusion. Why, every body knows that our northern and western wilderness is being rapidly denuded of its trees—that year by year the lumberman has to go further back. But besides this promising resource, the railway people, including gentlemen of large experience in roadbuilding and colonization, in the United States, will know how to turn their wild lands to account for the purposes of settlement. As the Pacific Railway and similar organizations have done, to their own immense advantage, the North Shore Company can plant colonies of hardy and industrious settlers on their lands, thus fostering their carrying trade, and vastly enhancing the value of all their property. We think in view of the commendable character of this scheme—in view of its necessity so far

as Quebec interests are concerned, and of the promise it holds out to every resident and property-owner of this City and Province, the day of indifference to it should at once pass away. This is an undertaking, not simply for the gain of a few, but for the benefit of all. It deserves, therefore, the sympathy and assistance of every member of the community, of whatever race or opinions. It is and should be regarded as a national work, not only praise worthy in character, but creditable to the intelligence and enterprise of our people. In the success already achieved we see reason for genuine pride, and, what is far more important, an omen of that era of revival and healthy progress which seems dawning upon our historic city and noble province and to the encouragement and acceleration of which every true and patriotic heart should gladly contribute."

"The Mail," Toronto, October 2nd 1872.

THE SALE OF TIMBER LIMITS.

The Ontario Government advertise to sell by public auction, at the Department of Crown Lands, on the 15th instant: Timber Berths of such immense extent that one may well feel concern at such a large sale of the most valuable interest of the Province. The advertised Berths cover an area "embracing," as the official advertisement describes it, "*all unsold and unlicensed lands of the Crown*, north of Lake Huron and north of French River, and west of the Indian Reserve on Lake Nipissing, to the eastern boundary of the Townships of Awerees and Vankoughnet, extending north from the Indian Reserve on Lake Nipissing, an estimated distance of twenty-four miles, thence due west to the north-east angle of the Township of Vankoughnet."

In other words these Berths cover an area of country 100 miles long by 24 wide. There is a clean sweep. Not a single acre is left out.

Why the policy of the Government should be to divest themselves of all the timber lands which they possess on the North shore of Lake Huron, it is impossible to see upon any reasonable business ground. They are not in need of money; for they have so much now that their great difficulty is what to do with it. We are quite prepared to admit that the late Government were closer in their timber policy than was necessary. They would not sell

any timber lands at all. But, where is the need for such a sweeping change? As a matter of business, no worse means could be adopted to dispose of the lands at good prices. Where there is so much to be disposed of, there are sure to be combinations which must result in great loss to the Province. We are unwilling to join in the cry which has been raised against Mr. Scott in reference to his alleged connection with timber speculators; but we are quite sure, the present policy of the Government, unaccountable with any reasonable presumption, cannot but strengthen existing suspicions. In any case it is a most unwise policy—a policy without a single reason that we can see to justify it, but which must be reprehended and condemned, take it whatever way you will. The Blake Government mortgaged the country for twenty years to carry out a Railway policy they had previously denounced. They are now, after a wholesale fashion, sacrificing the great staple product of the country, when it should be their policy to scrupulously protect it. An immediate sacrifice would be excusable, if there were a permanent financial advantage to be gained. But in this instance the contrary is the case. The Government is in no need of money, while at the same time it disposes in a bulk of every acre of valuable timber land in the north-western part of the Province. We are sure such an extraordinary act as this must receive the heartiest reprobation of the public of Ontario.

“The Mail,” Toronto, Oct. 3rd 1872.

That paper referring to the sale of Timber Berths as described in its issue of the day previous, says: “To such an extent has this recklessness been carried that some of our most prominent public men have suggested the advisability of putting an export duty upon this great staple of the Dominion.” After comparing the policy of the present Government with that of the Sanfield Macdonald, which he characterizes as almost stingy with regard to selling timber limits, it says: “On economical grounds the transaction is simply disgraceful. Lumber is every day becoming more valuable. It would be reasonable enough to take advantage of good ruling prices to sell the timber of a few Townships. That would be a fair business transaction. But instead of proceeding in this rational way, they offer to sell, after a manner which must strike every business man in the country as monstrous, every foot of timber limits that we possess in this section

of the Province. We hardly know how to refer to such an outrage in language which may not be deemed extravagant.

The mode of sale adopted by the Government is peculiarly adapted to make it a monopoly.

"Is there any man living who, if the North Shore of Lake Huron were his own, would, in the face of the rapid destruction of the forests, and a constant rising market, sell *en bloc* every acre of timber lands that he owned? We unhesitatingly say, there is not one. What excuse then, is there for the Government pursuing a different policy, a policy as reckless as it is unaccountable? We fail to see any. It is a disgraceful trifling with the most important source of revenue the Province possesses. It is not very different to the proverbial stupidity of killing the goose that lays the golden eggs. We must strongly protest against what we believe nine out of every ten sensible men will at once set down to be impolitic, disgracefully reckless, and without a single good ground of justification."

"*The Mail*," Oct. 4th 1872.

In its editorial of that date after deprecating the policy of the Ontario Government in selling their rich mineral lands it says : "In the roup of timber lands the Government are equally extravagant. On the 15th instant, there will be sold timber berths embracing unsold and unclaimed lands North of Lake Huron and French River, covering 224 Townships, each thirty-six miles square, in other words over 5,000,000 acres of the people's patrimony are to be launched into the hands of lumbermen !

By this means of selling our rich mineral lands for a song, and allowing our valuable timber to be hacked and hewn and slashed and cut and burned, without regard to the necessities of the future, the Rump Government of this Province will be able to cover up their wilful waste by an increase of the surplus into which they have thrust their hands elbow-deep. The monstrous nature of this policy is too apparent to require remark. There is such a thing as developing the country, but the course now being pursued by the Government must inevitably impoverish us in times to come. It is not development, but destruction ; profligacy, not enterprise.

"*The Mail*," Oct. 11th, 1872.

During the two years of the new license system of the MacDonald Government, only about a township and a half were carved into limits, and the revenue of the whole trade reached over \$400,000 a year; but the Grits handle the public wealth more magnificently. On wednesday next, 224 unsurveyed townships, 36 miles square, extending from Lake Nipissing to Lake Superior, an area of 4,250,000 acres, are to be sold at public roup. There is no near or remote chance of national bankruptcy—why sell out the country's stock-in-trade? The timber now under license will last for twenty years to come—why the urgency of licensing for posterity? The price of lumber is increasing most rapidly—why sell to-day what may bring treble its present value five years hence?

Six or seven years ago, a square mile of timber land could be had for a bonus of \$4; in several cases, of late \$600 have been obtained—and, if the rise for the next seven years be one tenth as great, how much will the Government lose to the country by the sale of the 7,000 square miles next wednesday?

"*The Mail*," Toronto, Oct. 15th, 1872.

Under the heading of "The great Timber Jobs," the *Mail* reproduces an article from the *Newmarket Courier* upon the intended sale of timber limits to take place that day, blaming the policy of the Government and comparing it with that of the Sanfield MacDonald administration, who did not act so suicidal a part. It goes on to say:

"The fires do not destroy the best timber; they are most generally confined to the underbrush and smaller trees. The timber berths were found to be too valuable to be summarily sacrificed. With the growing scarcity of timber, they have advanced in price. It would be the height of folly to say that the maximum rate has now been reached, and that there is slightest wisdom in the wholesale roup to which the Rump have committed themselves. At a time when they have a plethora of money—they are selling off the whole of our timber territory, over 7,000 square miles, at a price which is perhaps not 50 per cent of what could be realized five or ten years hence.

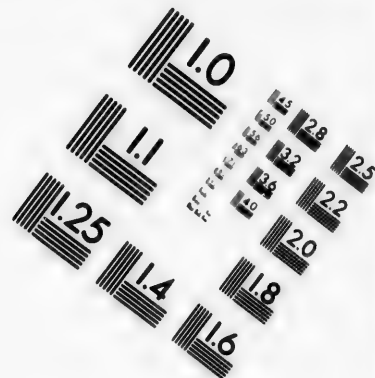
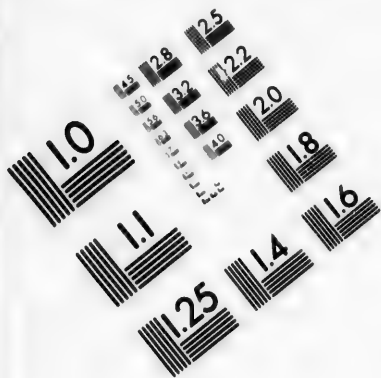
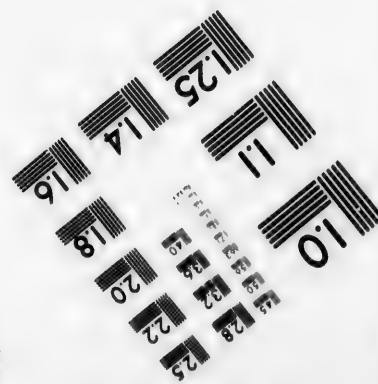
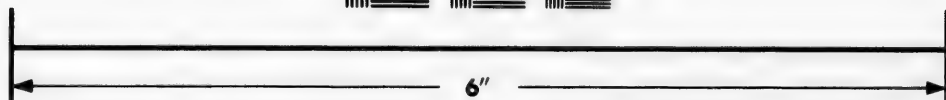
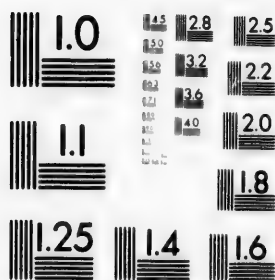


IMAGE EVALUATION TEST TARGET (MT-3)



**Photographic
Sciences
Corporation**

23 WEST MAIN STREET
WEBSTER, N.Y. 14580
(716) 872-4503

1.5 2.8 2.5
3.2 2.2
3.6 2.0
1.8

10

"The Mail," Toronto, Oct. 16th 1872.

THE GREAT TIMBER SALE.

At the opening of the auction yesterday, the Commissioner of Crown Lands announced that a vast portion of the territory had been withdrawn from the market and was reserved for future operations—that is to say, fifty-eight *projected* Townships, comprising the two rear tiers on the vague and ungeographical map, and embracing an area of 2088 square miles, were held back.

The staunchest friend of Mr. Scott, the hungriest applicant for timber berths, cannot defend this policy when an opinion is asked from him not as a political partisan or a lumberman, but as a well-wisher of Ontario.

No less than 107 Townships, 3,850 square miles, had been disposed of when the sale was postponed at four o'clock yesterday afternoon, at prices ranging from \$50 to \$450 per square mile, or from $7\frac{1}{2}$ cents to 70 cents per acre.

"Mail," Oct. 17th 1872.

On Tuesday night after the first day's auction, a large transfer business was done at the various hotels among the lumbermen. In one case, the purchaser of a Township received \$11,000 cash for his bargain by a gentleman who had explored it.

"The Mail," Toronto, Oct. 18th 1872.

THE GREAT TIMBER SALE.

In dealing with the Crown Lands, the Sanfield Macdonald administration did all that could have been done, and perhaps a little more than was absolutely necessary, to put a fair and proper equivalent into the Treasury for national property sold to lumbermen. A notable instance of this policy, was the sale of timber berths in the Muskoka and Parry Sound Districts on the 23rd November, 1871. The best timber upon that territory had been culled, and the average of what remained is said by those who know, to have been fully equal to the average of that sold on Tuesday and Wednesday. Knowing that the pig-in-a-poke system of buying and selling was as absurd and unprofitable at a Government auction as in a junk shop, they sent a competent inspector

into the territory on the 26th October, and on the 21st November, two days before the sale, he reported what he had learned "from settlers, hunters and trappers, verified by personal examination." The lands for sale extended over thirteen Townships. Each Township was divided into berths, the average area of the berths being fourteen miles. Thirty-five berths were sold, an area of 487 square miles, and the amount realised in bonuses was \$117,672, or an average bonus of \$241 per square mile.

The average sum paid for the Townships sold up to Wednesday night, was \$124 per square miles, nearly \$120 per square mile less than that obtained for the Muskoka lands.

(Globe.)

In one instance no less than a thousand dollars per mile was paid for a berth of about fifteen square miles, by the firm of Cook Brothers, of this city, and many others fetched large prices.

"The Mail," Toronto, October 19th 1872.

TIMBER POLICY.

In answer to the defender of the Ontario Rump the "Mail" says: "It sounds big to say that nearly \$600,000 has been realized from a timber sale, but let us examine the matter a little, and see what actually has been done.

The timber on 5,201 square miles of territory has been sold, for the gross sum of \$594,156, which is a fraction under \$115 per square mile, or 18 cents per acre. Suppose that only one acre in every five should have valuable timber upon it the bonus would still fall short of being one dollar for every acre of such territory. Why, one good pine tree is worth the money, even at a considerable distance back from Lake Huron, if only there be a stream near by, upon which it may be floated down. To get the right of taking all the merchantable timber of any kind on one hundred acres, and this in a region as yet untouched by the axe, subject to the moderate Government dues, for *only eighteen dollars*, seems to be not a bad bargain for the purchaser. It is not surprising that one lucky individual got \$11,000 for his bargain a few hours afterwards, nor would it astonish us to learn that the majority of the purchasers regard their fortunes as made. There is one consider-

ation of the first practical importance, which we desire to point out, and which we fear has been overlooked by all except the shrewd buyers. The traditions and usages of the Crown Lands Department, from its earliest record to the present time, have always had regard to and have been based upon the estimated value of timber limits, measured by the probable number of trees fit for making *square timber*. As every lumberman knows, the number per acre of trees fit for turning out sound square sticks or masts is very limited in even the best districts, and if square timber was all that was expected to be got out of the territory, the traditions and valuations of the olden time would still not be very far astray. But circumstances alter cases, and what greatly alters the present case is the fact that the saw mill is fast superseding the broad axe, and that proportionately more of sawed pine lumber and less of square pine timber is being made every year. Years ago, when timber limits were valuable only for the number of square sticks per acre that could be obtained, the present sale might have been accounted a good one for the Government. But now that large saw mills capable of cutting fifty or a hundred thousand feet board measure per day are becoming pretty numerous, with many more in prospect, and when the demand for sawed lumber for the United States, South America, and other Countries, is so large, timber limits are valuable for the number of twelve or sixteen feet saw-logs per acre that can be obtained. A very different matter indeed. It is this important change in the nature of lumbering operations which has made some of the Ottawa men worth their quarter millions, their half millions, and even their whole millions of dollars all at once; limits that were supposed to have been stripped, when only large square sticks were sought for, becoming of enormous value when every saw-log of twelve or sixteen feet in length, and down to sixteen inches diameter, became worth from 25 to 50 cents on the ground. The late Premier of Ontario knew all this well—he knew the immense increase of value per acre that the substitution of sawed lumber for square timber was giving to timber limits—he had a regard, too, to the enormously increasing demand abroad for pine lumber, and therefore, with due forethought, resolutely stood between the timber speculators and the country's wealth in the northern forests. Another set of men now rule, and we see the consequence.

CUTTING DOWN THE FORESTS.

The New York *Herald* has the following interesting article on the destruction of the forests :—

The important subject of deforesting the vast and yet thinly-settled Territories of the country is beginning to excite attention abroad in connection with the natural advantages that the United States will offer to future immigration. Our Madrid correspondent writes in a recent letter that "Spain now suffers from want of wood, which was recklessly cut down, and Madrid owes its eminence, as the most unhealthy city in Europe, to the removal of the glorious forests which once surrounded it." A London contemporary, in commenting upon the tremendous ravages of the settler's axe, in America, compares this wholesale stripping the Republic's soil of its timber to Delilah's robbing Samson from the secret of his strength. This idea is not a bad one, especially if we consider what science has now demonstrated, that there is a close connection between the extent of forests and the amount of rainfall, and that the tiny raindrop itself represents an amount of force which beggars the ancient giant's. The average annual rainfall of Great Britain is about 25 inches ; yet it is computed by all scientists that the force-equivalent of all the coal raised at the present yield in the English coal mines for a thousand years would not be sufficient, if converted into heat, to produce England's rain supply for a single year. To produce from aqueous vapor a quantity of snow which a child could carry demands, says Tyndall, an exertion of energy competent to gather up the largest stone avalanche and pitch it to twice the Alpine height from which it fell ; and, in this view, the removal of trees may be regarded as beyond the power of expression, exhaustive and fatal to the agricultural life of the country. We are not unaware that a few scientific writers have disputed the proposition that the vegetation of a country affects its climate. But the facts strongly confirm it. It is certain that within the historic period many climatic changes, explicable in no other way, have occurred. In Italy the modern clearing of the Apennines is universally believed to have altered the climate of the rich Po valley, where now the sirocco, unknown to the armies of ancient Rome, breathes its deadly breath of flame over the right bank of that classic stream, in the territory of Parma. The later removal of the pine forests near

Ravenna, the "immemorial wood" in which Dante roamed, induced the blighting ravages of this wind until the wood had been allowed to grow again, when the evil was abated. The destruction of the Vosges forests was observed to sensibly deteriorate the famous fertility of Alsace; and it is also an historic fact that the deforesting of the Cevennes, in the reign of Augusta, left the large and rich tracts near the mouth of the Rhone exposed to the before unheard-of-mistral, or north-west wind, before which the area of olive culture retreated many leagues, and that of the orange culture became restricted and profitless, even where it had formerly been most prolific. The present physical condition of classic countries around the Mediterranean shores unquestionably belies the glowing descriptions given by the ancient geographers and historians of their pristine verdure and fertility. Rivers famous in song and story have shrunk to insignificant streamlets, and many of these celebrated water-courses have ceased to be perennial. Indeed, it can hardly be doubted, even if we had no satisfactory explanation of the fact, that this disrobing of the earth, if allowed to go on, will, in the lapse of years, reduce its fair and salubrious bosom to the aspect of a South American Ilano, to borrow the fine figure of Humboldt, "dead and rigid, like the stony crust of a desolated planet."

The necessity of forests, to prevent the rapid evaporation from the soil and its consequent hardening and baking, is obvious. This all-important end is accomplished by retarding the winds, which desiccate the land, while the leafy canopy condenses the floating vapors and causes them to descend in fertilizing showers, so that all hyetal charts show that wooded regions have more and more equally distributed moisture than the prairies. We know that mountains act as condensers, partly by tilting or deflecting upward the passing vapor-laden air current into a higher region, where it can more freely radiate its heat into space and be condensed, and partly by the direct agency of their chilly brows. Why should not the trees act in producing a similar result? We know that in sections of rainless country, as in Egypt, the planting of trees has been rewarded by unexpected and before unknown rainfall. In this last mentioned land of a former greatness, in 1798 and '99, during the French occupation, for sixteen months not a drop of rain fell, but since Mohammed Ali has covered the vast bed of sand with millions of fig and orange trees it is now no

longer dependent on the Nile irrigation, but is blessed and fructified with an annual rainfall of several inches.

The question certainly assumes national importance in this country when we look to the rapid strides of the emigrant march to the West and the great territories of the extreme Northwest. The white pine is the most valuable lumber tree of America, and yet the annual receipts of it at Chicago alone exceed eight hundred million feet. It is estimated by careful statisticians that the railways require, annually, at least twelve million feet of hardwood timber for ties alone. Others have computed the annual clearances in the United States to be over two million five hundred and fifty-five thousand acres, and the locomotive consumption at seven million cords of logs in a year, which is the product of five hundred acres per day. Enormous as such estimates are, they are small, compared with what they may be in the next twenty years. Pliny said, "The beginnings of a river insignificant and its infancy frivolous." Such is emphatically the case with the greatest rivers of our Continent and those of South America. The head waters of the Amazon, high up amid the snowy summits of the Andes, would scarcely run our mills; the fountains of our great Ohio, Columbia, Missouri and "the Father of Waters" are feeble rills, scarcely distinguishable to the explorer. It is impossible that many of our now noble streams—not less valuable to our people than the gold laden waters of the Pactolus, that ran down on the plains of Sardis—may be dwarfed or dried up? If the process of deforesting continues at its present accelerated rates a quarter of a century longer, what is to hinder the land from entering upon a long period of physical degeneracy and climatic deterioration that must sap its industrial and even its intellectual energies? It is even now almost too late to retrieve the early follies of precipitate and reckless denudation of the virgin soil.

Fortunately for the country, especially in the far Northwest and in the portions of Oregon and Washington Territory west of the coast range, there yet remain vast seas of forest—lignite, fir, oak, and the mighty pine—from which may be hewn spars fit

To be the mast
Of some great admiral;

and soon this whole section must loom up as the timber and lumber trade centre of the Continent. Fortunately, too, the au-

thorities of the Northern Pacific Railway have sagaciously instituted a system of planting new trees and economizing old ones along its whole line through the Northwest. Some of the States, also, have wisely legislated in the same direction. But, unless there can be excited a national interest in this subject, it must become evident to the most unobservant, as it has long been to the thoughtful physicist, that the vast interior of the United States must part with its magnificent agricultural prosperity, and experience a deterioration of climate not less to be dreaded than that of the Spanish peninsula around Madrid—subject to those excessive and morbid variations of temperature which make man “feel by turns the bitter change of fierce extremes.”

As we have intimated, it is not too late for national legislation to throw its ægis over the noble forest of our great Northwestern and Pacific Territories, now rapidly opening up, and to encourage the planting of trees on an extensive scale. It is neither from sentiment nor from the mere leadings of scientific theory that we make this appeal for these venerable and true aborigines of the soil,

Whose boughs are mossed with age,
And high tops bald with dry antiquity.

But we press it upon the people as a measure of prevention, to avert the menacing evil of climatal and physical degeneracy, agricultural prostration and eventual national decadence.

Are we willing actually to bequeath to posterity a realization of that figment of the poet's imagination, a *terra damnata*?

TIMBER LANDS IN THE UNITED STATES.

(*To the Editor of the Morning Chronicle.*)

SIR,—It may be interesting to some of your readers to know what resources the United States have at the present time in the Saginaw Valley and “Shore” on Lake Michigan, of standing timber.

I will quote from the annual statement of the business of the Saginaw Valley and the Shore, for 1871.

During 1871 there were 654,082,878 feet of pine lumber manufactured in the Saginaw Valley, and the Shore; this does not

include shingles, laths, pickets, &c., about 15,000,000 feet. A great portion of this pine lumber is annually sent to New York and other places for shipment to foreign countries.

STANDING TIMBER.

In our statement for 1868, we gave an estimate of the amount of standing pine in Saginaw and Shore districts. This statement was prepared by one of our oldest and most reliable land-lookers, and aggregated 8,232,600,000 feet.

Three years' cuttings have been taken off, but with the exception of one, and possibly two streams, the log crop appears to have been little affected.

The Cass River country has been most thoroughly drained, and although this stream now brings to market the finest of Saginaw lumber, averaging the greatest percentage of uppers, the hauling is mostly from a long distance, and the prospects are that within a year or two this stream will be altogether profitless for lumbering purposes.

The Flint River is in the same condition. The attention of our lumber of late years has been largely to the Shore. A large proportion of the logs are out of the Rifle and Au Gres, as well as the Pine, Pinconning and several small streams, and are brought to the Saginaw River and manufactured by our mills here.—*Extract from the Annual Report of Saginaw Valley and Shore, for 1871.*

From the above must be deducted the Pine timber burned in October, 1871, amounting to upwards of 3,000,000,000 feet; of this about 500,000,000 feet has, or will be utilized.

It is unnecessary for me to comment on the above figures, which are under than over estimated, but leave your readers to make their own calculations on the future of the lumber of this country.

Yours truly,

PROGRESS.

Quebec, 19th Nov., 1872.

The following extracts from the proceedings in the Provincial Parliament of Quebec, show the interest felt upon this subject by that body :

(November 19th, 1872.)

Mr. Gérin moved an address for a statement shewing the number of limits conceded since the 12th December, 1871, the names of the grantees, the extent and square miles of each limit, the premiums paid thereon, also copies of all documents or correspondence connected with the cutting of wood under licenses upon Crown Lands.

In moving the address,

Mr. Gérin said that last session he had the honor of drawing the attention of the House to the management of Crown Lands, and the present motion was a continuation of the endeavour to obtain information. Then the subject had been one commanding public attention, and the press throughout the country had spoken on it. On the subject of the sale of timber limits by the Crown Lands Department, we had less information than on any other point; in fact, except for the annual returns of the gross receipts of the Department, we were kept in complete ignorance of its doings. The Government had no fixed, or well defined policy on the subject of Crown Lands, and the House had never legislated in this regard. Whatever measures were adopted, had been framed in Council, and had never been made public, or obtained the sanction of Parliament. What he wished to speak of principally was the disposal of timber limits by private sale. The laws existing forbade the private sale of limits. A regulation was introduced on the 28th of October, 1868, and a clause was added permitting Commissioners to dispose of limits by private sale, in exceptional cases. The clause was intended to meet only exceptional cases, but ever since, all sales were conducted privately, though the law in its general provisions, said that limits must be disposed of by public auction. It was important that the country, that the House should know exactly to what extent these sales had been made. It was publicly stated that there was great partiality in the sale or the distribution of limits, that they were sought and obtained by parties who were not interested in the timber trade, for their own enrichment and purposes of speculation, whilst those who had previously explored the limits, and

had offered good prices, for the purposes of legitimate business, had been refused. People who had no mills to run, and no interest in limits beyond a speculating one had been specially favoured, whilst those who should have obtained limits, had their applications disregarded. We had heard much of late, of a company which had been formed, and obtained large grants of timber lands. How was it that this company could obtain nearly a thousand square miles of territory, and the House and the public be kept in ignorance of the transaction. The system, which thus gave to parties unconcerned in the timber business such large grants, could not but act as an impetus to improper speculation in public property, and was injurious to the best interests of the country. In the old Parliament of Canada, Hon. Mr. Campbell, then Commissioner of Crown Lands, had seen the necessity of adopting some well-defined line of policy with regard to the disposition of our woods and forests, and the measure he proposed would have become law had not Confederation intervened. The system he proposed was diametrically opposite to the one now followed, and it is much to be regretted that it was not carried out. He read extracts from speeches by Hon. Mr. Campbell on the value of our forest lands then, and the policy which he proposed for adoption. Since that time none of the suggestions made had been acted upon. In the last session a law was passed, but it consisted merely of minor details, without the slightest intimation of a policy. It was remarkable that this isolated bit of legislation did not contain a word concerning the private sale of limits. Those who defended the system of private sale contended that it gave the most satisfactory returns, but the proofs were against them. The public auctions had given larger returns, and they would do so again if they were resumed; and it was reasonably to be expected, because there was greater opportunities for competition and less of conspiracy for obtaining possession. He spoke of the banding together for the purpose of obtaining limits, and the fierce contests between merchants, notably in Three Rivers, for grants. He thought that it was a bad policy on the part of the Government to thus dispossess itself of large tracts of territory, when the exigencies of commerce did not require it. The conservation of the Public Domain, whence the principal revenue of the Province was derived, was a great trust, and one not to be lightly or loosely administered. Had Government not been so lavish, in acting upon a system full of grave defects, we would have realized much higher

upon our public lands, and been saved that general and rapid destruction of our forests which we are called upon to witness. We have all seen the magnificent results of the recent public sale of timber lands at Toronto, by which nearly half a million dollars was cleared. Our public lands were not of less value than those of Ontario, and if a like system were in operation here, and public days named, when men of capital from Canada, England and the United States, were informed of the rousp, the Province could have a chance of profiting by a similar result. Could we have a similar line of policy adopted, the sequence would be a vast addition, by legitimate means, to the exchequer of the Province of Quebec.

**TIMBER LIMITS—THE GLASGOW AND CANADA COMPANY AND THE
LUMBER TRADE.**

(To the Editor of the Morning Chronicle.)

SIR,—The course of trade and manufacturing industry, in all Countries, is periodically marked by stagnation, steadiness or excitement. Our Canadian timber trade forms no exception to this almost invariable rule.

For many years our lumbermen, with praise worthy persistency, in the face of serious obstacles, brought to the shipping ports on the St. Lawrence the wealth of our invaluable pine forests, and were but poorly rewarded for their toil and enterprise.

NOW A CHANGE HAS COME

o'er the spirit of the dream; Canada pine is becoming scarcer, new markets are opening, and the lumberman obtains a better return for his labor and capital expended. He is not now compelled to go, hat in hand, to the St. Peter street capitalist, who delights in five per cent commissions, and almost craves the necessary advances to carry on his operations. He is becoming independent at last, and is not forced to sell his raft or his lumber at any price the St. Peter street men choose to offer.

Timbered lands have naturally kept pace with the advancing prices of pine and spruce. Limits are eagerly sought after, and bought up at long prices. So long as our monopolists had the game in their own hands "all went merry as a marriage bell"—but the introduction of foreign capital and enterprise consequent on the "giving out" of United States timber lands, and the new

channels opened to the trade, notably the South American demand, have inaugurated a new era in the Canadian lumber trade. But there is a limit even to the value of limits, and it is to be hoped that

"THE THING WILL NOT BE OVERDONE,"

as there is such a thing as paying too dear for one's whistle, and having to "pay the piper."

Some correspondence has appeared in your journal respecting the newly formed Glasgow and Canada Timber Company, the policy of the Quebec Government in granting (or more properly "leasing") timber limits, and other matters connected with the trade. I would allude more particularly to the letters of your correspondent "Quebec" on these subjects, and would desire to take up the question *seriatim* and discuss the points in a practical and business like manner. Personal allusions, slippery insinuations and the drawing of invidious comparisons are quite out of place when publicly discussing a business matter of such importance. I would first draw attention to the manner in which

TIMBER LIMITS ARE GRANTED

by the Government of this Province. It was formerly the custom, under the old Government of Canada, to dispose of them by public sale to the highest bidder. By this means many of our lumbermen obtained at a merely nominal sum immense tracts of timbered lands, and thus laid the foundation of large fortunes. After Confederation and the transfer of the Crown Lands to the control of the several Provinces some important changes were made by the Crown Lands Department of the Province of Quebec, both in the manner of granting limits and in the dues payable to the Government.

THE ORDER IN COUNCIL

of 5th October, 1868, binds the Government of Quebec to grant the holders of timber limits a guaranteed tenure until 30th April, 1889, with a uniform and increased "ground rent" and rate of "stumpage" dues, which may be changed only once during the period of tenure, and such change not to take place before 1st September, 1878. The ground rent is fixed at two dollars per square mile, payable annually, and the stumpage dues at a cent and a quarter per cubic foot for pine square timber, and from ten

cents to fifteen cents each (according to size) for pine saw logs, and five cents for spruce logs. This annual ground rent and the stumpage dues are payable by the lumberman in addition to the "Bonus" or purchase money paid for the limits in the first instance. The Commissioner of Crown Lands is also authorized by this Order in Council to

GRANT LIMITS BY PRIVATE SALE,

and to fix the rate of bonus or purchase money to be paid by the party obtaining the limits. It must be distinctly understood that the granting of a timber limit does not, in any instance, convey any right of ownership to the soil. The lumberman merely acquires the right to the timber growing on the limits. This fact does not appear to be understood by parties who are continually writing and talking about the Government giving away for a paltry consideration

ALL OUR VALUABLE PUBLIC LANDS.

"Quebec" appears surprised or jealous (I charitably hope only surprised) that the promoters of the Glasgow and Canada Timber Company could see so far ahead of most Quebecers, and had such faith in the value of timber lands as to invest a considerable amount of capital in timber limits. Unfortunately the citizens of Quebec are not proverbial for risking their money in any enterprise calculated to arrest the downward progress of the old city. But it must be admitted that in this case there is evidence of a new departure, and also that two Quebec capitalists have shown good judgment in the selection of an investment. There is probably not a better timbered belt of territory in the Dominion than that purchased by Messrs. Ross and Glover, in the Kepewa, Kiamica, Lievre and Rouge districts—both as regards the quantity and quality of timber growing there. What a pity it is that a few more capitalists of the Ancient "Capital" could not be induced to follow their example!

Let us now consider the Glasgow and Canada Timber Company, the prospects of which "Quebec" characterises as remarkable for "audacity of assertion and promise of fabulous returns." No doubt the vendors have valued their limits at a very high rate—but many practical lumbermen consider that

THEY ARE NOT OVER-VALUED.

Taking into consideration the prices recently paid at public sale for good Ottawa limits, and presuming that the explorations being made in the territory will tally with the reports of previous cursory surveys, it must be admitted that they are worth the money, although the price at which they are sold to the Company does appear extremely high. And if timbered lands go on increasing in value what will these limits be worth ten years hence? Let "Quebec" figure this up at his leisure for the edification of chicken-hearted "capitalists."

As regards the anticipated profit to the shareholders on the working of the limits—estimated at forty per cent—I must confess it appears too good to be true. Although, if the limits are judiciously and economically worked there should be a fair profit realised, I have had too much experience in lumbering to believe that such enormous returns can reasonably be expected. Lumbermen know by dearly bought experience that there is no business in which

THERE ARE SO MANY LEAKS,

and in estimating the results a liberal allowance must be made for these incessant "cuttings into" the gross profit.

But I must "go into figures" in my next letter, and would merely state at present that I can see nothing to prevent this Company succeeding in the enterprise contemplated, and giving better dividend to their shareholders than they could obtain by investing in bank stocks, or other fancy investments so popular with ladies of a certain age.

Yours truly,

R.

Quebec, 13th November, 1872.

From the Saginaw Daily Courier of May 25th 1871.

WHITE PINE.

The following summary and review of the White Pine lumber interest, the conditions that affect it in the present and bear on its future, have been furnished us by a gentleman of New York City who has given his attention for a number of years to the study of this question, and who has had large opportunities for obtaining information from intelligent lumbermen in those sections and elsewhere.

The importance of the trade in white pine lumber, the large amount of capital and industry employed in it, and the quality of lumber manufactured in the States of Michigan, Wisconsin, Minnesota, and Pennsylvania annually, to supply the consumption of the Western States and Territories, and in part that of New York and the New England States, and the question of future supplies for the requirements of increasing population and increasing wants, and decreasing area of supply, are all subjects of interest alike to the producer and consumer.

"In 1835, the so-called "pine land speculations" broke out violently in Maine, as a part of the mania that then prevailed in parts of the United States and in all kinds of property and merchandise. The pine forests of Maine were then considered and called inexhaustible, and partly with justice when estimated with the dimensions of the trade at that time. But new markets were sought out, and the pine went to South America, the West Indies, Europe, Australia, and California. In twenty years the lumbermen of Maine were seeking new fields of pine, and found them in New York, Pennsylvania, Michigan, and Canada. Maine is now practically exhausted in merchantable white pine and the same remark applies to all New England. The amount remaining in

the State of New York is small—too small to have any influence on the Albany market. New York and New England have to look to Canada, on the north, and Michigan, on the west, for their supplies.

In Pennsylvania, the Delaware, the Lehigh, the Schuylkill, and the north branch of the Susquehanna, are all cut out "clean," leaving but one field of pine—that of the west branch of the Susquehanna and its tributaries—now remaining in the United States east of the Alleghany Mountains. This field has been so largely cut into that it is reduced to a comparatively small area, and if the annual cuttings are continued on the present scale—450 to 500 millions of feet—six years would nearly clean that section: but as the timber lands are now mostly centered in a few hands, pine in decreasing quantities will be cut for a longer period, with increasing profits as supplies diminish, to meet an increasing demand. The Alleghany and its tributaries continue to produce moderately; but Michigan is the great producing State at the present time, and it is highly favored by nature for lumbering, from its numerous rivers and from being surrounded on the east, west, and north by the Great Lakes. The streams heading in the centre of the State flow to Lake Huron and Michigan, on the east and west sides of the State, bearing the log product of the pine lands of the northern half of Michigan to the mills which manufacture them for the supply of the Chicago market on the one side, and the Lake ports and the Eastern markets on the other. The lumber of the Northern Peninsula goes to the same markets by the Great Lakes; but this field, as yet, has not been largely cut upon.

Wisconsin possesses large pineries in the northern half of the State. A large amount is annually manufactured on the east side of the State for the Chicago market, which is the largest in the United States or in the world. But the bulk of pine in this State naturally determines to the Mississippi river, by the rivers which drain the lands—the St. Croix, the Chippewa, Black River, and the Wisconsin, and other small streams.

Minnesota has pineries of considerable extent, mainly in the north-eastern part of the State. The annual cuttings from them go to the Mississippi River, or by Railroad to the farmers of Iowa and Minnesota. Ohio, Indiana, Illinois, and Iowa are destitute of pine, but are large consumers in common with Missouri and Kansas. The production of white pine in the United States, es-

timated by the statistical data collected, will probably not vary from the following figures :

Michigan, Average of the year 1868, 1869, and 1870, obtained from the annual re- ports, made with great care.....	1,800,000,000
Wisconsin and Minnesota.....	1,250,000,000
Pennsylvania, logs and long timber	650,000,000
New York and New England.....	200,000,000
Total.....	3,900,000,000
And for long timber not included in above, and cuttings of small local mills.....	250,000,000

And the total would sum up..... 4,150,000,000

The value of this crop, allowing the value as manufactured at the mill, without the addition of transportation or profit to dealers, to be placed at the low average of \$15 per M., add the total value of shingles, laths, and pickets manufactured, and long timber, and the total will aggregate seventy-five millions of dollars as the minimum valuation at the points of production ; add transportation, yard expenses, and profit, and it will amount to 150 millions to the consumer.

LOG CROP OF 1871.

Owing to deep snows in some parts of the West, and little or none in others, and particularly by the loss of the month of March for lumbering operations, from the early breaking up of winter and melting of the snow, the amount of the log crop in Michigan, Wisconsin, and Minnesota will be short of an average by a large percentage, probably not less than 25 per cent. The same condition prevails in Pennsylvania, and Canada has suffered to the extent of over 15 per cent. from the same causes, and well-informed lumbermen of the Saginaw Valley advise the deficiency with them to be from one-quarter to one-third, and reports of like character come from the Muskegon, the Manistee, and other points on the west side of Michigan, and also from Wisconsin. In Pennsylvania it is conceded that the amount of logs banked was cut short, by the early break-up, at least 25 to 40 millions of feet.

The streams fell early, with not over one-half or two-thirds of the stock down, but late rains are helping them out materially. The crop is far below an average. The stock of Susquehanna-manu-

factured lumber at all points as inventoried Jan. 1, 1871, was short 50 millions of feet as against the inventory of Jan. 1870: Jan. 1, 1870, 209,161,157 feet; Jan. 1, 1871, 159,192,665 feet.

THE LEADING MARKETS.

The business of 1870 was the largest ever transacted in Albany. The supplies have been mainly from Canada, and the receipts from Michigan were comparatively light, the demand for the Chicago market having taken 100 millions of feet early in the summer from the Saginaw Valley, much to the relief of that market. November, however, showed a noticeable improvement which has been felt still more this spring. The Albany and New York markets will probably receive fuller supplies, proportionately, than the Western, and be less sensitive to advancing values during the early part of the season.

St. Louis is becoming a large market, the receipts for 1870 having been 240 millions—an increase of 37 per cent. over the previous year; and perhaps no point in the Country is growing more rapidly in importance as a distributing point.

Oswego is a large receiving point, mainly of Canada lumber—271 millions in 1870; Buffalo, 168 millions; Cleveland, 145 millions; Williamsport, Pa., over 200 millions.

Burlington, Vermont, is a very large market, sending throughout New England by rail, and it probably ranks next to Albany in importance, and may outrank it within five years, when western lumber ceases to come East in large quantities, and the supply is derived from Canada for both markets. It is considered by many that Albany has reached its maximum business. St. Louis, Cleveland, Burlington, and perhaps Oswego, are the growing distributive points. Chicago is likely to lose some of its increasing trade from new railroads penetrating the lumber regions of Michigan, and starting direct trade between the mills and local yards in the Western States. The tendency to direct trade is seen everywhere between producer and consumer. A link is being dropped out."

May 26th 1871.

WHITE PINE.

(Continued.)

We give below the continuation of and conclusion of the article on White Pine, a portion of which was published in the *COURRIER* yesterday. The well known writer is largely interested in pine and other lands in this vicinity, and is thoroughly posted on the subject on which he writes :

"Prior to the year 1869, the production of lumber had been stimulated for five years by the large consumption, high prices and consequent profit to the manufacturer that ruled during that period. The winter of 1868-9 was favorable to lumbering, and under the expectation of large profits legitimate lumbermen and "experimental lumbermen," merchants, lawyers, doctors, and men of all professions united in a common effort to put in a big stock of logs in almost every lumber field in the country : "And they succeeded."

The result of this over-production was a break down of values in the markets on the Upper Mississippi, Chicago, the Saginaw Valley, and the lake ports, and in Pennsylvania (Albany alone showing strength during this year) although the consumption of the country was very liberal and equal to 1868 in amount. Simultaneous with this over production occurred a combination of bad causes to affect the trade. Low prices for wheat ruled during the years of 1868 and 1869, leaving little margin of profit to the farmer; a partial failure of the corn crop—"the great crop of the West"—united with a prevailing distrust and apprehension in business generally during 1869, combined to threaten a serious and general break down in the lumber business. Nothing but courage and resolution, combined with capital, on the part of the lumbermen in the Saginaw Valley and in Pennsylvania saved them from a panic and sustained their markets. "Chicago markets were demoralized."

Taking warning by the condition of the trade, and partly from short supplies of money, the preparations for lumbering in the winter of 1869-70 were made on a reduced scale. The stock of logs left over, united to the stock got in, when sawed, gave a supply of manufactured lumber adequate to meet the large

demand and consumption of 1870. A decrease of supplies from Western Michigan and Wisconsin becoming apparent, early in the year, gave vigor to the Chicago market at improved prices, and caused a demand for 100,000,000 of feet on the Saginaw Valley, in June, to meet the deficiency which would otherwise have been pressed on the Lake ports and Albany, to the prejudice of those markets.

The liberal and increasing consumption of the Western and Middle States during 1870, demonstrated, at its close, the fact "that consumption had over-taken production," and that the excessive product in 1869 had been absorbed. In December, 1870, and January of this year, prices rose in the Saginaw Valley, under this conviction, over fifteen per cent, with a demand for spring delivery that absorbed all the dry lumber unsold in market. This rise was previous to the partial failure of lumbering this past winter, and was not owing to it.

The lumbering season of 1870-71, showed a large and vigorous preparation, equal to producing a full average crop of logs with a favorable winter. The result has been a partial disappointment, from the early breaking up of winter and the loss of the month of March in lumber operations—too much snow in some parts, too little in others. The log crop will prove 25 per cent, short generally in the Western States and Pennsylvania. The West will take all the western lumber to meet their increasing wants, excepting clear stuff, which the Eastern markets must have, and the lumber cut by mill men having yards at Albany and New York. To Western lumbermen the Eastern market will be of less importance; and it is safe to hazard the opinion that the close of 1871 will leave little manufactured lumber to go into the consumption of 1872, and that full prices will rule. Buyers in large numbers have already gone into the Saginaw market, eager to buy green lumber, to be sawn, at an advance of 15 to 20 per cent, over the prices of Nov. 1870; and some sales have been made of the entire product of mills at the market prices when delivered. When the stocks of old lumber in the country in local yards are sold off, and the shortage of logs is realized, lumber must improve in price, but until they begin to sell on new stock, the large dealers in the main markets will endeavor to make contracts at low prices.

The supplies in the local yards through the country, "east and west," are light, the city of New York being almost the only

exception. Chicago and the Lake Erie ports, particularly Cleveland, will this year, for the first time, consume Canada lumber liberally, and already considerable amounts have been contracted for, from Georgian Bay and other parts of the Province of Ontario.

The supplies of manufactured lumber of 1870, to come forward into the United States from the Ottawa district this spring by the statistics given at the mills, will be light—45,000,000 feet as against 140,000,000 in the spring of 1870—and receipts will be diminished during 1871 from this quarter from the following causes : The export trade from Montreal and Quebec, in deals and square timber was very large and very profitable, and some of the large mills on the Ottawa have turned, and others are likely to turn, their cutting entirely to the supply of those markets. "It pays best." The amount is sufficiently large to materially affect the export trade to the United States. It is thought that the supply from Canada will not be over 500,000,000 this year; possibly it may reach 550,000,000.

The laws of supply and demand will govern, as it did in 1869 and 1870, while larger supplies were pressing constantly on the markets. Buyers had the advantage, and they used it. The position is now being reversed, and as the year advances the seller will hold the best hand, and dealers may see a sudden and sharp rise before September.

The Western States are now the largest consumers by far, and they have the ability to consume. Grain is bringing good prices. Corn was the largest crop ever produced. The pork crop was enormous and produced an immense amount of money. The beef crop is very valuable. Foreign and domestic emigration gave an annual increase to their population, and when it is considered that the annual increase of population in the United States is estimated by Mr. Wells at one million, and the six-tenths of this in the Western States, the extent of their wants will be easily recognized; and the increasing value of their general production yearly is demonstrated by the receipts of produce at the Lake ports and railroad depots. The ratio of increase is realized by few persons, Chicago, as a point of consumption and distribution, markets a far larger amount of pine lumber than Albany, Troy, Waterford, West Troy, New York, and Brooklyn combined, and Philadelphia may be thrown in.

In the past—with limited population and apparently unlimited supplies—wastefulness and reckless extravagance in use prevailed.

The finest lumber was used for the commonest purposes, and the finest timber—pine, oak, ash, and other hard woods—was cut down and burned to clear up farming lands and to make pot and pearl ashes.

In the present, when we know every field of white pine lumber left, increasing population and increasing wants, "and decreasing area of supply," make the question of future supplies one of great and serious importance. "We have no new fields to go to." Twenty years from now the wants of 55 to 60 millions of people are to be supplied in some manner, instead of the present 39 millions. Iron stone, and brick will of necessity be largely substituted, but as long as pine lasts it will be used in preference throughout the country, outside of cities.

The United States east of the Alleghany Mountains are nearly exhausted of white pine. At the present rate of cutting in Michigan, allowing no increase to the annual cuttings, the pine territory of the State, including the Upper Peninsula, will be exhausted in 15 to 18 years—in less time if the cuttings are increased by larger operation in the Upper Peninsula. Four hundred thousand acres of fair average pine lands of Michigan are yearly required for the cutting, 800,000 acres for the total cutting of the United State allowing 5,000 feet to the acre.

The lands of the northern part of the State and Upper Peninsula are not all pine lands, and many are very lightly timbered, with one to two thousand feet per acre. Hardwoods, hemlock, swamp, and mineral lands and sandy plains occupy a large area.

Government lands are becoming a thing of the past. Timber lands in the Western States have been closely examined and taken up, and between railroad grants, the investment of lumbermen for the supply of their mills, and those of capitalists who appreciate the future value of pine lands, few are left at Government prices; and fair and good pine lands in Michigan and other States are being sought for eagerly at rapidly increasing values, varying according to situation and value.

The large bodies of pine in Wisconsin and Minnesota are going in the same manner, and with them the area of pine territory east of the Mississippi will be exhausted, and within the limit of a single generation the production of white pine lumber will cease to be one of the large sources of national wealth.

Canada is, and will be for many years, the great source of supply for New England, the States of New York and New

Jersey, the coast cities, and, within a few years, Pennsylvania. Possessing a vast territory, with large resources of timber, its capacity of production is great; but it is a hard country to lumber in, and it has to meet the large and increasing demand of Great Britain, of Europe, South America, Australia, and other parts of the world. Its forests suffer fearfully from fires as well as by a wasteful system of lumbering. It has also an immense amount of over-ripe pine. Strange as it may seem, it is a fact that the finest qualities of pine in Michigan are being cut to a limited extent for the Quebec market.

Six to seven hundred million feet of pine are annually imported into the United States from Canada. Their cutting for export and home consumption may be estimated at 700 millions more.

Allowing their supplies to increase annually, it may be questioned whether they will grow more rapidly than the increasing wants of the markets they will be called on to supply. The statistics of the lumber business in the United States, though by no means full or perfect, show a ratio of increase since 1860 beyond all precedent in the past. It has become an interest of enormous magnitude. Will it continue to increase in the same proportions? "The future will determine the question." To every appearance it will.

The question of future supplies, the limit of value that will be reached, as well as the value of timber lands, may well be studied. Pine trees do not grow in a day, and, as a general rule, when they are cut down other kinds of timber spring up, and the attempt at cultivation has yet to be made and determined in the future.

The fact is patent and undeniable, that the supply of pine is going rapidly. Timber lands are lessening in area and centering in powerful hands, who know their present and prospective value.

Heretofore the profits of lumber have gone to the mills. Hereafter they will go more and more to the lands and less to the manufacturer who is not stocked with lands, and their increasing cost will add materially to the cost of lumber. United States lands are nearly taken up, and few are to be obtained that could be operated on at the present day. Each year, lumber operations are carried further up, or further from floating streams, often requiring two years to run part of the logs, and increasing the cost. The day for very cheap lumber or very cheap lands is past,

and it is doubtful whether the low prices of pine lumber in 1870 will ever be seen again, if the peaceful industry of the country goes on without disturbance from domestic convulsions or foreign wars."

New York, May 2, 1871.

From the "Saturday Budget,"

QUEBEC, JULY 27, 1872.

THE MONTMORENCY LUMBER MILLS.

AN EXTENSIVE ESTABLISHMENT.

The Largest in the World.

900 Hands Daily at the Works.

"Of the many branches of trade, which Quebec has been compelled to enter into by the force of outside circumstances, none occupies a more important position than that in sawn lumber.

The vast proportions to which this trade has attained of late years are everywhere visible in the corresponding increase, in the number and size of milling establishments throughout the country. Of the farseeing business men in our midst who were quick to perceive the necessity of securing a large share of this trade for the port and to avail themselves of the natural advantages of the neighborhood for the purpose, our respected fellow-citizen, G. B. Hall Esq., was one of the first, as he is at present, the largest manufacturer in the line, in the Dominion. A visit to his immense establishment alone at the Montmorency Falls, must convince any one of this, not to speak of the other establishments of the same sort with which his remarkable enterprise has gifted the Province.

In almost every quarter of the country, this enterprise may be said to have penetrated, forming communities, giving bread to numberless families, and generally benefitting the trade of Canada.

It is almost impossible to appreciate at its full value the vast amount of good produced by this gentleman, single handed. From his establishment at the Montmorency Falls and its surroundings, which we propose to describe, a slight idea may be formed of the advantage which Quebec possesses in counting Mr. Hall among the number of its citizens. Then when all his other varied under-

takings, the ramifications of his extensive business, and the number of our population deriving benefit from that business, either directly or indirectly, are taken into consideration, it will be seen that Mr. Hall is not only a useful member of Quebec society, but an invaluable benefactor of the country at large. But let us speak of the Montmorency Mills for the present.

We remember to have read once somewhere or other, of an American lady tourist, of somewhat romantic and blue stocking propensities, who, about this season of the year, many years ago, paid a visit to the falls. For a moment, she was wrapped in silent admiration, as she gazed down into the mighty chasm into which the waters thundered. At last, she gave vent to the intensity of her feelings in what may be rather styled a high old poetic strain, remarking among other things that she wondered "why the water fell over there and why in falling it assumed such an *opalescent* hue?" "Why," gruffly responded her companion, a shrewd old American gentleman, behind her; "because the people here are such darned fools that they wont run it off for a mill." The time however, was not far distant when the enormous power at this spot, was to find some one to utilize it, not only to his own advantage materially, but that of many others indeed; and to-day were the matter-of-fact old American tourist who so sharply recalled Miss Amanda from her poetic flight, to pay the place a visit, he would no doubt be surprised to see the immediately situated transformation which has come over the scene of former days.

THE SAW-MILLS

Are situated immediately beneath the cliff alongside the falls. They are seven in number. As the visitor descends the winding road which runs down the steep hill side, from the beautiful summer residence of the proprietor, he is first struck with the vast extent of the business being done. From the cataract upwards along the St. Lawrence for fully a mile if not more, and away out to low water, the eye encounters nothing but mills, factories, rafts, piles of lumher, wharves, booms, offices and workmen's dwellings, all calling Mr. Hall owner, while the forms of the workmen themselves and the numerous horses moving about, the roar of the water, and the clatter of the machinery, lend life and animation to the busy scene. The water which runs the machinery of the vast establishment is conveyed from the river above, for a distance of a mile, then falls over the cliff—a considerable distance—and is

said to be in force equal to 1,000 horse power. Its first utilization is on the top of the hill, where it works a fine grist mill, it is then carried over the cliff, running five saw-mills immediately below—the other two being out at the river edge where they are worked by the rise and fall of the tide. In these mills, the timber is sawn into deals, boards, laths, and all the other varieties of sawn lumber, to the extent last year, of fifty five millions of feet, 100,000 per day.

Besides the mills the immense water power is used to run a large match and blind factory, laths and shingle mills, a machine shop, a foundry, and for all the other labor-saving ends to which so valuable an assistant may be applied in and about so extensive a business. The mill buildings are all large and substantial and supplied with the best machinery. At present they are working night and day, two sets of hands being kept for night, and day work. They are lighted at night with gas, manufactured on the premises, and are connected with the offices, as are all the other portions of the establishment and cove, by a line of telegraph.

THE PAIL FACTORY.

This building is one of the largest and finest in the concern. It is three stories high. The machinery is of the best description and turns out between four and five thousand pails daily and a similar number of butter and fish tubs yearly. We had the pleasure of examining some of these pails and tubs.

It would be impossible to procure better articles any where—the greatest care being given to the choice of wood for the purpose and the manner in which it is put together, hooped and finished. In this department broom handles are also manufactured in large quantities.

THE MATCH AND BLIND FACTORY.

In this large and substantial building, the business of match splint and sash, and venetian blind making is conducted on an extensive scale by Mr. Patterson Hall, the eldest son of the proprietor. It is *par excellence*, the best fitted out of all the departments, while being the most interesting. The match-splints are manufactured principally for American account and are turned out in immense quantities by the most expeditious and perfect machinery. In this department numbers of young boys and girls are employed. The manufacture of blinds and sashes is, perhaps, the most of all calculated to interest the visitor. The variety of ma-

chines, tenoning, morticing, crimping, planing, mounting, and wiring machines are the complicated parts, yet the ease and unflinching perfection with which they do their work, must always attract his liveliest attention. This department, has during the three years in which it has been in operation, sent out 50,000 pairs of blinds yearly, which principally find a market in the United States. They are superior to hand-made blinds. The department is directed by Mr. S. W. Butterfield, a gentleman of considerable experience in the line, under whose management it succeeded admirably. The blind factory machine is indeed the most complete on the continent of America.

FOUNDRY AND MACHINE SHOP.

Another feature of the comprehensive enterprise and business tact of Mr. Hall is evinced in these departments, which are separate and distinct from all the others, and each other though worked by the same motive power. In them he turns out all his own mill machinery, such as wheels, shafts, &c., and effects all the repairs necessary.

MISCELLANEOUS.

The offices are situated about the centre of the establishment, but are connected with all the departments, as we have said before, by a special telegraph line. To the west of the mills and factories, Mr. Hall is also the owner of most of the dwellings and cottages occupied by his emoloyees, which form the village that has grown up in that direction.

GENERAL REMARKS.

The number of persons employed about the establishment averages in summer some 900, being nearly the entire population of the village aforesaid. These people all look clean, neat, and contented. Their dwellings look very comfortable. They all work on piece work and make fair wages. Their rents are low, and firewood to be had for nothing. They all speak in the warmest terms of Mr. Hall as their employer. The weekly wages paid to the hands reach the figures of \$4,500. We believe it is Mr. Hall's intention at no distant date to increase his power of doing good by making considerable additions to his establishment on the Eastern Side towards the Falls. We certainly hope that in all he undertakes he may succeed to the fullest extent of his aspi-

rations, for to whatever end they tend, they are always in the line of benefitting his fellow men and the country at large. Montmorency gives employment at the mills and on the different places where the logs are made to fully 2,000 hands which with the families, support fully 10,000 human beings yearly."

"Morning Chronicle."

November 27th 1872.

TIMBER LIMITS—THE GLASGOW AND CANADA COMPANY AND THE LUMBER TRADE.

(To the Editor of the Morning Chronicle.)

SIR, —In my former letter I endeavored to explain, in a few words, the position of the lumberman with regard to his tenure of timber limits, the system adopted by the Quebec Government in granting limits, and the taxes levied on limits and the timber produced. I have now before me the prospectus of the much talked of Glasgow and Canada Timber Company, and proceed to examine the calculations therein contained relative to the value of the limits, the quantity and cost of timber expected to be made and the anticipated results. The Company is presumed to purchase the limits for the sum of £250,000 sterling, equal to about

ONE MILLION TWO HUNDRED THOUSAND DOLLARS.

An additional sum of £50,000 sterling, equal to about two hundred and forty thousand dollars, erroneously styled "working capital," is subscribed for the purchase or building of saw mills and acquiring the lumbering *materiel* or plant, necessary to carry on operations; so that the Company spends about one million and a half dollars before commencing actual operations in the woods. The area of timbered territory thus to be acquired amounts to about fourteen hundred square miles, and does not consist of one immense block of land. It may be described as divided into two main sections or districts, about one half on the Rivers Rouge and Lievre and their tributaries, to the northward, and the other section in the Keepewa district, on the upper Ottawa. On consulting the Government plans of these districts it will be at once seen that these limits are located in portions of the Ottawa territory known to produce

THE BEST QUALITY OF PINE,

and that there are good streams, capable of being driven, intersecting the territory. "Quebec" insinuates that a certain number of these square miles may probably consist of miles of water; but a reference to the Government plans compiled from recent surveys fails to discover any excessive extent of water. In fact the limits appear to be watered much in the same manner as the average of Ottawa limits; and every practical lumberman appreciates the value of a fair extent of lake and river surface on his limits. It must be remembered that lumbermen do not require limits for agricultural purposes—they want water enough in river, creek and lake to drive their timber. A scarcity of water supply is more frequently complained of than a surplus. The price to be paid by the company for these limits amounts to about

EIGHT HUNDRED AND SIXTY DOLLARS PER SQUARE MILE,

equal to one dollar and thirty-five cents per acre. After all, this does not seem such a fabulous price to pay for an acre of forest, even supposing that there was only one good pine tree growing upon it. But I confess it would come much cheaper for the lumberman if he could cut timber in the woods, wherever he choose, without paying any bonus or ground rent whatever. Perhaps some of my readers will know what *this* means.

The Prospectus estimates the quantity and value of the standing timber at about

NINE MILLION YELLOW PINE TREES,

worth nearly four dollars per tree. But I do not consider this estimate worth anything; it savors too much of the counting house style of valuation, and is not practical enough for a lumberman. In estimating the value of such territory we must look at it in a more "operative" light. How will it pay year by year? There is a wide difference between sitting in a comfortable counting house, making paper and ink estimates and going into the stern reality of finding your timber, making it and bringing it out successfully. At any rate four dollars per tree is much too high a stumpage to pay. It comes to this: can I make an average of four dollars per tree clear profit on the timber I bring out? I now proceed to make a pro-forma calculation of what may be considered as

AN AVERAGE YEAR'S OPERATIONS

of such a company omitting unnecessary details, and stating the estimated expenditure and return in round figures. I believe that a larger production than I have here estimated cannot be counted on at the outset, as it does not pay to rush into lumbering on too high a scale, even presuming that more timber could be made on the limits. It is no child's play to place shanties on either new or old limits for this quantity of timber, to get good foremen and sufficient supply of bone and sinew, feed your shanties, improve your streams, and make a successful drive.

Lievre and Rouge district—200,000 standard
pine logs cost, delivered at mill, \$2.50 per
std.....\$500,000.00

Cost of sawing, piling, &c., estimated at 50
million feet, board measure, say \$3.50 per
1,000 feet..... 175,000.00

Interest on bank capital employed, say equal
to six months on \$500,000, at 8 per cent.. 20,000.00

\$695,000.00

Proceeds of lumber, estimated at \$18 per 1,000
feet..... 900,000.00

\$205,000.00

Upper Ottawa district—Square timber (as per
prospectus), 500,000 cubic feet—say net
profit in Quebec market (after deducting
interest and other charges) equal to 3 cents
per foot 15,000.00

Net profit equal to about 15 per cent. on ca-
pital\$220,000.00

The cost of management is included in these figures.

I have not made any calculation for saw logs from the Upper Ottawa district, as I believe it would not pay to bring logs from such a distance at present; nothing but the choicest square timber of large average should be got out from these limits for some years to come. In the above calculations I think that I am not far astray, but should wish some of the trade who take an interest and have had experience in these matters to express, through your columns,

an opinion as to the general correctness or incorrectness of these figures. Of course some seasons would be more favorable for lumbering than others, some portion of the drive must be expected occasionally to "stick," and the usual chapter of accidents must not be overlooked; but I believe the above statement may be taken as fairly representing an average year's operations.

A PROFITABLE INVESTMENT

for capital seems to be presented in this business. Would it not have been more patriotic and business-like for "Quebec" and his friends to encourage the employment of foreign capital in Canada, or to use some of the superabundant capital about which he writes in the promotion of a similar enterprise, than to throw cold water on an undertaking calculated to benefit the Country? It is very evident that Messrs. Ross and Glover will realise a handsome profit on the sale of their limits if the proposed arrangement is carried out; but there are limits to be obtained from private parties, probably quite as valuable as these, at a price not higher than the valuation placed on the limits in question. Cannot "Quebec" and Quebecers form a company for lumbering purposes and be satisfied with a profit of

FIFTEEN PER CENT. PER ANNUM.

on their capital? "Quebec" says there is plenty of capital to be had if the concern would yield ten per cent return. Here is a healthy margin for contingencies and for any discrepancies that may exist in my calculations.

If senseless grumbling would suffice to restore the almost ruined fortunes of the old Rock City, property would be a trifle higher than it is here at the moment, and the city authorities would have plenty of funds in hand to keep the streets clean. But when enterprise is absolutely necessary, and the risking of the almighty dollar is demanded, we must look elsewhere for the men and the money.

With regard to the censure heaped on the Government by "Quebec" in the matter of granting timber limits to speculators, or parties not engaged in the lumber trade, it must be admitted that he is justified to a certain extent in his remarks. But as the Crown Lands regulations now stand, no distinction as to the occupation of the applicant is made. It is competent for any citizen or foreigner to apply for and hold limits.

Some parties engaged in the lumber trade hold immense tracts of territory, while the total held by parties outside the trade does not amount to much in comparison. There are some lumbermen who have never acquired timbered lands to any extent, but this is not the fault of the Government. In plain English, these parties

HAD NO FAITH

in the value of timber limits, and have only to blame themselves. Now, at last, they have their eyes open, and rush anxiously to the Crown Lands Department for limits—but, like the foolish virgins, they find the door shut. They frantically join hands with the “soreheads,” or disappointed applicants for limits on speculation, and soundly belabour the Government and shower abuse on the heads of these parties who possessed at least some of that estimable quality said to be strong enough to remove mountains. But this is human nature.

Yours truly,

R.

25th November, 1872.



APPENDIX.

No. 2.



APPENDIX.

No. 2.

ACT OF PARLIAMENT GRANTING LANDS.



ANNO TRICESIMO-QUARTO

VICTORIÆ REGINÆ.

C A P. X X I.

An Act to provide for the granting of certain lands in aid of the Railway Companies therein mentioned.

[Assented to, 24th December, 1870.]

HER MAJESTY, by and with the advice and consent of the Legislature of Quebec, enacts as follows:

1. From and out of the public lands of this Province, certain lands hereinafter mentioned, forming a superficies of three million, two hundred and eight thousand, and five hundred acres, are hereby set apart for the purposes of this act, that is to say: all the lands described in the schedule to this act, under the designations of blocks A, B, C and D, and comprised within the four blocks or extents of territory colored in red and marked respectively A, B, C and D, upon a certain lithographed copy of a map of the Province of Quebec, drawn at the Crown Lands Department of this Province, by Eugène Taché, Assistant Commissioner of Crown Lands, and dated, Quebec, eighteen hundred and seventy, which lithographed copy is filed in the office of the Clerk of the Legis-

lative Council of this Province, to remain of record for all the purposes of this act and copies of which in full or on a reduced scale certified by the said Clerk, shall be deemed authentic for all legal purposes.

2. The Lieutenant-Governor in council, may, subject to the provisions of the next following section, grant to the North Shore Railway and Saint-Maurice Navigation and Land Company, now to be called the North Shore Railway Company, for building the North Shore Railway from Quebec to Montreal and the road to the Grandes Piles and the establishment of a line of Steamers on the St. Maurice, as mentioned in the act of the late Province of Canada, intituled: "An Act to incorporate the St. Maurice Railway and Navigation Company," two millions of acres of land to be chosen and allotted by the Lieutenant-Governor in Council on the report of the Commissioner of Crown Lands, from within the said blocks A, B, C and D, in a corresponding proportion, as regards quantity and quality, to those granted under this act for the construction of a railway from Montreal to Aylmer.

3. The Company shall be entitled to such grant on the following conditions :

1. The said Railways shall have been completed and put in operation, to the entire satisfaction of the Lieutenant-Governor in Council, and steam navigation shall have been put in operation on the St. Maurice; but the Lieutenant-Governor in Council, if he thinks proper, may nevertheless, when it is established that the said Company is actively engaged in the construction of its works, grant to it, for each twenty-five miles of road completed, a portion of the said lands proportionate in extent to such length of road.

2. The Lieutenant-Governor in Council shall have the appointment of one-third of the directors of the said Company, without counting the *ex-officio* directors, or directors representing municipalities, and no city, town or municipality shall be represented in the said Company by a greater number of directors than the Lieutenant-Governor in Council.

4. All grants of land made to the said Company, or to the St. Maurice Railway and Navigation Company, by different acts passed by the Parliament of the late Province of Canada, and the assurance of aid given by the Colonization Railway aid act of 1869, for the construction of a wooden railway between Three Rivers and the Grandes Piles, are hereby revoked and repealed.

5. The Lieutenant-Governor in Council may, subject to the pro-

visions of the next following section, grant to the Montreal Northern Colonization Railway Company, for building a railway from Montreal to Aylmer, upon the North Shore of the Ottawa, ten thousand acres of land, for every mile of such railway, to be chosen and allotted by the Lieutenant-Governor in Council, on the report of the Commissioner of Crown Lands from within the said blocks A, B, C and D, in a corresponding proportion, as regards quantity and quality, to those granted, under this act, for the construction of the North Shore Railway as aforesaid.

6. The said Montreal Northern Colonization Railway Company shall be entitled to the said grant on the following conditions only:

1. The Railway from Montreal to Aylmer shall have been completed and in operation: but according as the Company shall have completed twenty-five miles of the railway, the Lieutenant-Governor in Council may, if he thinks proper, grant to it proportionate quantity of the said lands, at the reduced rate of five thousand acres for each mile completed within the section extending from Montreal to Grenville, and a proportionately increased rate for every mile completed within the section between Grenville and Aylmer.

2. The said Railway shall connect with the said North Shore Railway from Quebec to Montreal at such point as shall be determined by the Lieutenant-Governor in Council;

3. The Lieutenant-Governor in Council shall have the appointment of one third of the directors of the company, without counting the *ex-officio* directors, or directors representing municipalities, and no city, town or municipalities shall be represented in the Company by a greater number of directors than the Lieutenant-Governor in Council.

7. The Colonization Railway aid act of 1869 shall no longer apply to such portion of the said Montreal Northern Colonization Railway, as shall form part of the route from Montreal to Aylmer.

8. The Lieutenant-Governor in Council may, subject to the provisions of the next following section, grant to the Quebec and New Brunswick Railway Company ten thousand acres of land for every mile of its railway built between the frontier of this Province and Rivière-du-Loup, or Kamouraska or any intermediate point between those two places, to be chosen and allotted by the Lieutenant-Governor in Council, on the report of the Commissioner of Crown Lands, from within the townships of Packington, Botts-

ford and Robinson and the territory adjoining the boundary line between this Province and New-Brunswick, to the east of the said Railway.

9. All tracts of lands actually held under license for the cutting of timber, comprised within the boundaries of blocks B, C, D, described in the schedule to this act, as hereinbefore mentioned, shall be excepted therefrom, and a superficies corresponding to the deficiency created by such limits now in existence, shall be set apart for the purposes of the said grant, out of the unoccupied lands of the Crown in the nearest neighborhood to the said blocks B, C, D.

10. The said last mentioned company shall not be entitled to the said grant, unless the said last mentioned railway shall have been completed and in operation as far as Rivière-du-Loup, or Kamouraska, or any intermediate point between those two places; but, according as the company shall have completed twenty-five miles of railway, the Lieutenant Governor in council may, if he think proper, grant to it proportionate quantity of the said land.

11. Any grant made to the said Quebec and New-Brunswick Railway Company shall be made upon the condition that one-half of the lands so granted shall be conceded by the company to settlers who shall occupy and clear the same, the whole in conformity with such conditions and at such prices as shall be fixed by the Lieutenant Governor in Council upon the report of the Commissioner of Crown Lands; but such price shall not be less than one dollar for each acre.

12- The delay mentioned in the second section of the Colonization Railway aid act of 1869, is hereby extended to the first day of July, one thousand eight hundred and seventy-five.

13. The said Colonization Railway aid act of 1869, and the extension of delay mentioned in the preceding section shall apply to the railway of the St. Francis and Megantic International Railway Company, incorporated by an act of the Parliament of Canada, as fully and effectually as if the said railway had been originally included and named in the Colonization Railway aid act of 1869, but only for the length thereof which commences where the said railway leaves the line of the Grand Trunk Railway; and the said last mentioned act shall no longer apply to the St. Francis Valley and Kennebec railway.

14. The aid provided for in favor of the Richelieu, Drummond and Arthabaska Counties Railway Company by the Colonization

Railway aid act of 1861, shall likewise apply and extend to any of the lines of railway mentioned in the act of the present session, intituled: "An act to amend the charter of the Richelieu, Drummond and Arthabaska Counties Railway Company," provided no such aid shall be paid or payable upon any greater length of road than shall be completed, nor be extended in any case to more than one hundred and fifty miles.

15. Iron rails may be laid instead of wooden rails on any of the railways mentioned in the said Colonization railway aid act of 1869, without affecting the right of obtaining the aid thereby assured for the construction of such railway.

16. The Lieutenant Governor in council may reserve for himself and also for any Railway Company to whom he may grant the same, the right of taking without compensation, upon any lands granted under this act, as much land as may be deemed necessary for the road-way and stations of any railway that may pass over the lands so granted.

17. In case any one of the above named companies shall not have *bonâ fide* commenced to build its railway within two years from the first day of may next, it shall forfeit all claims to lands under this act.

18. Sections eleven and fifteen of the act incorporating the Quebec and New Brunswick Railway Company, that is to say the act of the parliament of Canada, thirty-third Victoria, chapter fifty six, including the schedule connected with the said section fifteen, are hereby, in so far as they relate to matters and subjects within the jurisdiction and control of the legislature of this Province confirmed and enacted as fully and effectually as if the provisions thereof were herein enacted at full length, and shall have effect notwithstanding article 2137 of the Civil Code.

SCHEDULE.

BLOCK A.

The territory included in this designation being situate in the county of Pontiac, at the western extremity of this Province, and being traversed by the principal branch of the Ottawa river, and by that of the river called the Abittibi, is bounded as follows, that is to say:

Beginning at the point of intersection of the meridian of the mouth of the river Blanche, on lake Temiscamingue, with the rear line of the Indian Reserve, situate between such last mentioned river and lake des Quinze, as the point A, as set forth on the map hereinabove mentioned; thence prolonging such meridian line for a distance of 31 miles or thereabouts to the height of land separating the waters of the St. Lawrence from those of Hudson's bay to B; thence following a line running north, 71' east, astronomically, a distance of 64 miles, to C; thence in a true southerly direction, a distance of 60 miles to D, thence, following a western course, astronomically, a distance of 23 miles or thereabouts, to the intersection of the most southerly bay of lake Missizowaja, at the point E: thence skirting the eastern and northern shore of the said lake, and that of lake des Quinze, until opposite the point at which it discharges itself, by means of the river of the same name, at the place designated by the letter F; thence pursuing a course usually north, to G, to the stake planted by the Surveyor, Charles Bouchette, in 1854, to mark the north-east angle of the Indian reserve aforesaid; thence following the northern boundary of the said reserve, to its intersection with the meridian of the mouth of the river Blanche, to the point of departure at A, a distance of $15\frac{1}{2}$ miles of thereabouts.

The said block A, comprising an extent of territory of 1,827, 400 acres in superficies.

BLOCK B.

The territory so designated, including the island of lake Edward, and watered by the river Batiscan and by the river known as the Pierre river, being situate partly in the county of Portneuf and partly in the county of Quebec, is bounded as follows, that is to say:

Beginning at the letter A on the said plan, to the point of intersection of the line of survey drawn during the summer of 1870, by the Surveyor Ignace Dory, with the north bank of the river à Pierre, from thence following such said line, so already established, for a course north 45' west, astronomically, to the river Batiscan, a distance of 10 miles and 35 chains, and pursuing in the same direction a distance of about 9 miles to the line of survey drawn by the Surveyors Eugène Ca-grain and H Legendre, in 1869, to the point B, from thence at a right angle following the said line of survey, a distance of about 3 miles

to D, to its junction with the south western branch of the river Batiscan, known as the river Jeanotte, and ascending the left bank of the said river and following the windings thereof to its source in lake Edward, and skirting the south shore of such lake to its western extremity, and ascending to its source (at the place marked D), the little river which discharges itself at such place. From this point, the said block to be bounded towards the north by a line running true east about 2 miles to the point E, situate at 6 miles at right angles to the general course of the river Métabetchouan, then at the said distance following parallel thereto, in a south and south westerly direction, the course and windings of the said river to lake *aux Rognons*, and thence, by prolonging, at the said distance of six miles, a parallel line to the survey of the continuation of the Gosford road, fixed by the Surveyor E. Casgrain, to the point of meeting the river à Pierre, at the point F. and descending the course of the said river, to its intersection with the line of survey of Mr. Déry, at the point of departure already mentioned.

The said Block B, comprising 319,440 acres.

BLOCK C.

Situate in the county of Montcalm, bounded as follows, that is to say:

Beginning at a distance of 10 miles from the north-western angle of the Township of Doncaster on the division line between the counties of Argenteuil and Montcalm, at the north-western angle of the proposed Township of Archambault, at the point A on the said map, following the said line, and, in continuation the line dividing the districts of Montreal and Ottawa, to its meeting with the principal branch of the *Rivière Rouge*, a distance of about 26 miles, in B; thence ascending the course of the said principal branch to a point of intersection with the line between the counties of Montcalm and Joliette, in C. Thence, following such line on a course, astronomically south, 45', east, for a distance of $34\frac{1}{2}$ miles to the north-east angle of the proposed Township of Lussier, to about ten miles from the north-east angle of that of Chilton, in D. Thence following the rear line of the said proposed township of Lussier and Archambault, a distance of 40 miles, to the point of departure in A.

The said Block C, comprising an area of 371,200 acres in superficie.

BLOCK D.

This extent of territory, situated on the eastern bank of the river St. Maurice, partly in the county of Champlain and partly in that of Chicoutimi, is bounded as follows, that is to say: Beginning at the mouth of the *Grande Rivière Pierriche*, on the St. Maurice, about 10 chains from the 64th mile post, planted by Surveyor Bignell in 1848, at the time of his survey of the said last mentioned river, at the point A, on the said map; thence, following the meridian of the mouth of the said *Grande Rivière Pierriche*, a distance of 37 miles to B, from such place, at right angles with the said meridian, on a course west astronomically, a distance of nearly 37 miles to the point of meeting the river St. Maurice, in C. Thence descending the left bank of the said river and following all its windings in a direction usually south and south-east, to the point of departure at the mouth of the said *Grande Rivière Pierriche*, at the place marked A, and already described.

The said block D, comprising an area of 685,466 acres in superficies.

DECISION OF THE GOVERNMENT RESPECTING PRO-
PORTIONATE GRANTS FOR EVERY TWENTY-FIVE
MILES OF COMPLETED RAILWAY.

*Hon. Joseph Cauchon, President, to the Honorable P. J. O. Chauveau,
Premier and Provincial Secretary.*

QUEBEC, 9th September, 1872.

SIR,—I have the honor to call your attention to "An Act to provide for the granting of certain lands in aid of the Railway Companies therein named" (34 Vic., Chap. 21.)

Section 3 of this act provides, respecting two million acres of lands granted to the North Shore Railway Company, as follows:

"The Company shall be entitled to such grant on the following conditions only:

1. The said Railway shall have been completed and put in operation to the entire satisfaction of the Lieutenant-Governor in Council, and Steam Navigation shall have been put in to operation on the St. Maurice; but the Lieutenant-Governor in Council, if he

thinks proper, may, nevertheless, when it is established that the said Company is actively engaged in the construction of its works, grant to it for each twenty-five miles of road completed, a portion of the said lands proportionate in extent to such length of road."

I have the honor also to inform you that the entire Railway and equipment have been placed under contract with responsible parties and that the surveys and work of construction have been in active progress since the month of April last passed.

I am informed by the Contracting Company, that it will facilitate their operations and the progress of the work very much, if the Lieutenant-Governor in Council will indicate, at an early day, the policy which the Government will pursue in relation to the granting of the lands, and whether, in case of the completion of sections of twenty-five miles in length, and evidence that work upon the remaining portions of the road is progressing in a manner satisfactory to the Government, the Lieutenant-Governor in Council will grant "for each twenty-five miles of road completed, a portion of the said lands proportionate in extent to such length of road," as provided in said Act?

As I am to communicate the decision of the Government to parties in Europe, who are negotiating the securities of the Company, which are based in part upon these lands, may I beg the favor of an early reply.

I have the honor to be,

Sir,

Your most obedient servant,

(Signed),

JOSEPH CAUCHON,

President N. S. R. Co.

The Honorable

P. J. O. CHAUVEAU,

Provincial Secretary.

REPLY FROM THE GOVERNMENT.

Copy of a Report of a Committee of the Honorable the Executive Council, dated the 12th September, 1872, approved by His Excellency the Lieutenant-Governor in Council, on the 14th September, 1872.

No. 258.

On the policy of the Government relating to the grant of lands to the North Shore Railway Company.

The Honorable the Secretary of the Province, in a report dated the twelfth of September instant (1872), sets forth that he has addressed a letter to the President of the North Shore Railway Company, in answer to his communication of the ninth September instant, informing him that it is the policy of the Government to carry out the law so as to aid, as far as possible, the construction of the North Shore Railway; and with that view, recommends that, in case of the completion of sections of twenty-five miles in length, and evidence being afforded that work upon the remaining portions of the road is progressing in a manner satisfactory to the Government, a portion of the lands, proportionate in extent to such length of road, as provided by the Statute, be granted for each twenty-five miles of road completed.

The Committee concur in the foregoing report, and submit the same for the Lieutenant-Governor's approval.

Certified,

F. FORTIER,
Clerk Executive Council.

GOVERNMENT REGULATIONS RESPECTING TIMBER
LIMITS.

Woods and Forests.

DEPARTMENT OF CROWN LANDS.

QUEBEC, 21st. July, 1868.

Notice is hereby given that His Excellency the Lieutenant Governor has been pleased by Order in Council, dated the 17th instant, to sanction the following alterations in the Timber regulations of the 13th June, 1866.

1. The provisions of the said Regulations authorizing the granting of licenses on applications are revoked, and in future all licenses to cut timber on vacant public lands, shall be offered for

sale at public auctions to be held at certain dates, to be fixed by the Commissioner of Crown Lands.

2. The provisions of the same Regulations establishing the ground rent, and the rate of increase of the said ground rent, in cases of non-occupation, are also revoked. In future all licenses, old and new, shall be subject to an annual ground rent of one dollar (\$1.00) per square mile, which ground rent, in cases of non-occupation, shall increase in the proportion established by the Regulations, until it reaches the maximum established by the Regulations, calculated at the rate of one dollar per square mile, viz:

1st year.....	\$1.00	per square mile.
2nd "	2.00	" "
3rd "	4.00	" "
4th " maximum.....	5.17	" "

In unsurveyed lands, the year succeeding that in which the license has been first granted, the ground rent shall be one dollar per square mile only, and shall begin to double the third year; it shall then reach the maximum the fifth year only.

The Bonus paid on the first granting of all licenses, old and new, shall be again payable in each case of transfer. In cases where the license holder will take in with him, one or more partners, the same bonus shall be payable, less the proportion of it compared to the share retained by him in the possession of the limits. Limits granted without bonus shall be subject to a bonus of \$8.00 per square mile in cases of transfers, and in proportion if a part only is transferred or if the license holder takes in one or more partners with him.

3. The tariff of Timber Dues established by the same Regulations of the 13th June 1868, is revoked, and the following substituted therefor.

Oak and walnut per cubic foot.....	03	Cents.
Elm, Ash and tamarac "	02	"
Red and white pine, birch, basswood, cedar, spruce, &c	01½	"
Pine logs 13½ feet long, measuring 17 inches or more in least diameter each	15	"
Pine logs 13½ feet long, measuring less than 17 inches in least diameter each.....	10	"
Spruce logs 13½ feet long, each.....	05	"
Staves pipe, per Mille	\$7.00	"
" W. L. "	2.25	"

Cord wood (hard) per cord.....	16	"
" (soft) "	8	"

Railway timber, knees, &c., 10 per cent. *ad valorem*.

It shall not be allowed in future to cut pine logs measuring less than twelve inches in their least diameter.

DEPARTMENT OF CROWN LANDS.

Quebec, 4th October 1868.

Notice is hereby given that His Excellency the Lieutenant Governor has been pleased, by Order in Council, dated the 2nd instant, to sanction the following modifications in the Timber Regulations :

1. All old and new licenses for limits or timber berths, shall be renewable annually for a period extending to 30th April 1889 ; Government reserving its power of changing once during that period, the tariff of Dues for cutting timber, but not however before 1st September, 1878.

2. The clause in the Regulations of the 21st July, 1868, which fixes a gradual increase of Ground Rent, in the case of non-occupancy, is repealed and instead thereof, a further sum of \$1.00 is added to the Ground Rent fixed by the Regulations; thus making a uniform Ground Rent of \$2.00 a year for each square mile.

3. The clause compelling the payment of a bonus in every case of transfer is amended so as to exclude from its operation the first transfer made of limits granted before the 10th of January, 1868.

4. Limit holders, in order to enable them to obtain advances necessary for their operations, shall have a right to pledge their limits as security without a bonus becoming payable. Such pledge, in order to affect the limit against the debtor, shall require to be noted on the back of the license by an authorized officer of the Department of Crown Lands. But if the party giving such pledge should fail to perform his obligations towards his creditor, the latter, on establishing the fact to the satisfaction of the Commissioner, may obtain the next renewal in his own name, subject to payment of the bonus, the transfer being then deemed complete.

5. In all cases of transfer of limits, subject to payment of bonus, such bonus shall be the uniform sum of \$8.00 per square mile for each limit.

6. The grantees of all old and new limits shall be bound to hold the same, and to pay therefor the annual ground rent imposed by the present Regulations, until the said 30th April 1889. But in cases of total or partial loss in value of a limit, whether by fire, by the extending of settlement, or other causes, the Commissioner of Crown Lands shall have the discretionary power of refusing to renew any license in the case of contravention of the regulations.

7. The Commissioner of Crown Lands shall have the power, whenever he may think it advisable in the interest of the Government, to grant limits by private sales, and to settle the amount of bonus to be paid for the same, according to their relative value, subject in other respects to general timber regulations.

8. It shall be no longer permitted to cut, on Crown Lands, pine trees measuring less than twelve inches in diameter at the stump.

DEPARTMENT OF CROWN LANDS.

QUEBEC, 9th August, 1869.

Notice is hereby given that His Excellency the Lieutenant Governor has been pleased, by Order in Council, dated the 9th instant, to sanction the following amendments to the Crown Timber Regulations of 13th June, 1866.

1. The Crown Timber Agents or any other person thereunto authorized, shall, at the joint written request of conterminous license holders, issue instructions stating how the boundaries of such limits should be run to be in conformity with existing licenses.

The surveys shall be performed at the expense of the parties requiring them, who must cause copies of the plans and field notes of the surveys to be delivered to the officer, giving the instructions subject to his approval, to be paid for by him and kept of record by the Crown Timber Agent of the locality.

Boundaries so established at the joint request of the parties interested shall be fixed and permanent, and shall in no case be altered.

2. If a limit holder refuses to join his neighbor to have the boundaries defined, the party wishing to have the survey made, shall be entitled to have it performed at his own expense under instructions which shall be furnished to him for that purpose as provided in the foregoing clause.

On the completion of this survey, notice of the same shall be given in writing to the adverse party, at his residence or place of

business. And if within one year after such notification, the adverse party shall have made no opposition to the same in the manner hereinafter prescribed, or if having done so, such opposition has not been maintained, the boundary so surveyed shall be fixed permanently and irrevocably. But if within the space of one year from the date of such notice, the adverse party show that he has sufficient reasons to doubt the exactness of such survey, and deposit in the hands of the Crown Timber Agent such sum of money as that officer may deem sufficient to cover all the expenses of a new survey, the Commissioner of Crown Lands shall name a surveyor to establish finally the boundary in dispute and this second survey shall be binding upon the interested parties.

All the expenses shall be borne by the applicants if his objections be not maintained. If on the contrary they be confirmed, and the first survey may be declared erroneous, the expenses shall be borne share and share alike by both parties.

3. All limit lines or boundaries already established in virtue of official instructions, are hereby declared valid and permanent, if a report or field notes, or at least a plan describing such boundaries, have been filed of record in the Crown Timber Agent office, and if they have been for five years or more without being disputed.

If less than five years have elapsed since they have been established, they are also hereby declared valid and permanent, provided always that within the space of one year from the date hereof, their correctness be not disputed. If on the contrary, within this delay, one of the interested parties object to them, a final survey shall be made as prescribed in the second clause of these presents, unless, however, the interested parties agree to have a final survey effected in virtue of the first clause.

The 13th clause, and the words "or to the position of the bounds" of the 14th clause of the regulations of the 13th June, 1866, are hereby revoked.

DEPARTMENT OF CROWN LANDS.

QUEBEC, 29th March, 1870.

Notice is hereby given that His Excellency the Lieutenant-Governor has been pleased, by Order in Council, approved the 29th March, 1870, to sanction the following regulations in addition to the 17th and 18th sections of the Crown Timber regulations of

13th June, 1866, to assist in causing the cutting of timber on private lands to be more uniformly brought under the cognizance of the Crown Lands Agents in their respective agencies : and to prevent timber from being cut unlawfully on private lands, to the injury of the proprietors, or being pretended to have been cut, to the injury of the public revenue.

1. No affidavit tending to prove that timber, saw logs or other wood goods, have been cut on lands claimed to be private property, shall be held to be sufficient to exempt such timber, saw logs or other wood goods from Crown dues, unless it has been examined as to its accuracy by the Crown Lands Agent of the agency in which it is said to have been cut, who shall certify thereon how far the facts therein stated are, to his knowledge, correct and true or otherwise, stating what objection there is, if any, thereto, also the condition of title to the lot or lots severally, whether private property, patented or fully paid for or otherwise, and if the settlement duties, where required on lands not patented, have been fully performed or not, to his knowledge personally or by satisfactory evidence.

2. If the person making oath in such affidavit, does not therein signify that he is the owner of the land, the affidavit shall not be held by the Crown Lands Agent as sufficient to exempt the timber, saw logs or other wood goods therein mentioned, from Crown dues, without a certificate thereon or therewith by the owner of the land, or person authorized to act for him, that the timber was cut with his consent, adding his address or place of residence.

3. But if any particular as to the condition of title of lands, or other facts which the Crown Lands Agent may be unable to certify be proved by the exhibition of patent or other evidence of right to exemption from dues to the satisfaction of the Crown Timber Agent, in whose agency the case may have arisen, it shall be held sufficient, and the timber, saw logs or other wood goods shall be exempted from dues accordingly.

E. E. TACHÉ,
Assistant Commissioner.

APPENDIX.

No. 3.

APPENDIX.

No. 3.

NORTH SHORE RAILWAY

OF CANADA

MORTGAGE BOND.

On the Sixth day of July,

in the year of Our Lord one thousand eight hundred and seventy-two.

BEFORE J. A. CHARLEBOIS, Notary Public, duly commissioned and sworn for the Province of Quebec, residing in the City of Quebec, personally came and appeared THE NORTH SHORE RAILWAY COMPANY, a body corporate duly incorporated and represented herein by the Honorable JOSEPH CAUCHON, of the City of Quebec, Speaker of the Senate of Canada, and President of the said North Shore Railway Company, and duly authorized to act herein on their behalf, party of the First Part.

And Sir HUGH ALLAN, Knight, of the City of Montreal, hereinafter called the party of the Second Part.

Which said parties did covenant and agree together in presence of me, the said Notary, as follows :

WHEREAS, the said North Shore Railway Company has been duly incorporated by act of the Legislature of the Late Province of Canada, with power by themselves, their deputies, agents,

officers, workmen, and servants to make and complete a railway to be called the North Shore Railway, from any point within the City of Quebec, to any point within the limits of the City of Montreal, or to carry such railway by a line in the rear of the City last named to any point in the County of Montreal beyond or to the westward of the said City, and also another railway known as the Piles branch, and extending from some point at or near the City of Three Rivers to the Grandes Piles; and whereas by an act passed by the Legislature of the Province of Quebec, in the thirty-fourth year of Her Majesty's Reign (1870) chapter twenty-two, entitled "an Act to extend the period for the completion of the works of the North Shore Railway and the St. Maurice Navigation and Land Company," the acts respecting the said North Shore Railway Company were amended, and it was amongst other things enacted that the said Company might raise by way of loan upon their bonds or debentures, in addition to their authorized capital stock, any sum of money not exceeding SIX MILLION DOLLARS as might be expedient or necessary for completing, maintaining, and working the railway, at a rate of interest not exceeding eight per cent per annum; and to make the bonds, debentures or other securities granted for the sum so borrowed, payable either in currency or sterling, and at such place or places as might be deemed advisable, and to hypothecate, mortgage or pledge the lands, tolls, revenues and other property of the Company for the due payment of the said sums and the interest thereon;

AND WHEREAS by another act passed by the Legislature of the said Province of Quebec, in the year last aforesaid, chapter twenty-one, entitled "An act to provide for the granting of certain lands in aid of the Railway Companies therein mentioned," it was enacted that the Lieutenant-Governor in Council, might grant to the North Shore Railway and St. Maurice Navigation and Land Company, now called the North Shore Railway Company, for building the North Shore Railroad from Quebec to Montreal and the road to the Grandes Piles, and the establishment of a line of Steamers on the St. Maurice, as mentioned in the act of the Legislature of the late Province of Canada, entitled: An act to incorporate the "St. Maurice Railway and Navigation Company," two million acres of land to be chosen and allotted by the Lieutenant-Governor in Council, on the report of the Commissioner of Crown Lands, from within certain blocks of land particularly described

in the said act, in a corresponding proportion as regards quality and quantity as those granted under the said act for the construction of a Railway from Montreal to Aylmer; the said Company to be entitled to such grant so soon as the said Railways shall have been completed, and put in operation to the entire satisfaction of the Lieutenant-Governor in Council, and Steam navigation put in operation on the St. Maurice.

But the Lieutenant-Governor in Council, if he think proper, may, nevertheless, when it is established that the said Company is actively engaged in the construction of its works, grant to it for each twenty-five miles of road completed, a portion of the said lands proportioned in extent to such length of road;

AND WHEREAS, for the purpose of constructing the said line of Railway hereinafter and hereinbefore more particularly described, the said party of the First Part has made and delivered to the said party of the Second Part its debentures or bonds, designated the *North Shore Railway land grant first mortgage sinking fund debentures*, bearing seven per cent interest, amounting in the aggregate to the sum of six million Dollars, all of which bear date the Sixth day of July, A. D. 1872, and payable, principal and interest, at the office or agency of the party of the First Part, at the FARMERS LOAN AND TRUST COMPANY, in the CITY OF NEW YORK, UNITED STATES OF AMERICA, bear interest from their date at the rate of seven per cent per annum, payable semi-annually on the first day of July and January in each and every year, and numbered consecutively from 1 to 6,000, and each for one thousand dollars, and all of like tenor and effect, in form following:

DOMINION OF CANADA.

PROVINCE OF QUEBEC.

North Shore Railway Company.

First Mortgage Land Grant Gold Debentures—Seven per cent interest.

THIS DEBENTURE witnesseth, that the North Shore Railway Company, under the authority of their Act of incorporation, have borrowed and received from Sir Hugh Allan, the sum of one thousand dollars lawful money of the Dominion of Canada, as a loan to bear interest at the rate of seven per centum per annum from the date hereof, the said interest payable half yearly, on the

first day of January and the first day of July in each year, at the office of the Farmers Loan and Trust Company, in the City of New York, United States of America, to the said Sir Hugh Allan or the bearer of the proper interest coupon hereunto attached, and that the said Company promise and bind themselves to pay the principal sum so borrowed as aforesaid to the said Sir Hugh Allan or the bearer hereof, at the office of the said Farmers Loan and Trust Company, on the first day of July, one thousand nine hundred and seven, and said interest coupons as they severally become due at the office of the said Farmers Loan and Trust Company, and for the due payment of the said principal sum, and interest, the said Company, under the authority of their act of incorporation, have mortgaged and hypothecated the whole of the Railway called the North Shore Railway, from its terminus at Quebec, to its terminus at Montreal, both termini inclusive, and all appurtenances thereof, including the two million acres of land granted to said Railway Company by the Province of Quebec, to wit: by a deed of Mortgage and hypothecation of the said Railway, appurtenances and land grant, duly executed by the said Company to Sir Hugh Allan, of Montreal, in Canada, Knight, as Trustee, for the holders of the said debentures, before J. A. Charlebois, Notary Public, the sixth day of July, 1872, and heretofore duly registered in each of the Registration Divisions through which the said Railway passes.

THIS DEBENTURE is one of an issue, amounting to six million dollars, and consisting of six thousand bonds of one thousand dollars each, numbered consecutively from 1 to 6,000 inclusive,

THIS BOND is entitled to the benefit of the sinking fund by the said mortgage provided for, and is receivable by the said North Shore Railway Company at par as to its principal and accrued interest, in payment for any of the lands or timber standing thereon, granted to the said Company in aid of the construction of the Railway herein described, at the price for which said land shall be sold for gold coin. This debenture shall pass by delivery, or by transfer on the books of the North Shore Railway Company, at their office, in the Cities of Quebec and New York, or at any other place where the Company shall keep such transfer Books. After a registration of ownership certified hereon by the transfer Agent of the Company, no transfer, except upon the Books of the Company shall be valid unless the last transfer be to bearer, which shall restore transferability by delivery. But this debenture shall

continue subject to successive registration or to transfer to bearer as aforesaid, at the option of each holder-

THIS DEBENTURE shall not become obligatory until it shall have been authenticated by the signature of the Trustee.

IN WITNESS WHEREOF the Honorable Joseph Cauchon, the President, and A. H. Verret, the Secretary of the said Company have hereunto set their hands and affixed the common Seal of the said Company, at the City of Quebec, on the day of July, one thousand eight hundred and seventy-two.

Authenticated

President.

[L. S.]

Secretary.

Trustee.

AND WHEREAS the intention of these presents, is and is hereby declared to be, that all of the debentures herein mentioned, amounting in the aggregate to (\$6,000,000) Six Million Dollars aforesaid, shall be equally in all respects secured by these presents, without preference, priority or discrimination on account of or with reference to the times of the actual issue of the said debentures or any of them.

NOW THEREFORE the said Notary witnesseth, that the said Party of the First Part, for and in consideration of the premises, in order to secure the payment of the principal and interest of the debentures aforesaid, issued or to be issued as herein recited and provided, and every part of said principal and interest as the same shall become payable, according to the tenor of the said debentures and of the Coupons thereto annexed, hath mortgaged and hypothecated, and by these presents doth mortgage and hypothecate unto the said party of the Second Part, his successors and assigns, all and singular the Railway of the party of the First Part now being constructed from the said City of Quebec to the said City of Montreal, and the Branch thereof to the Grandes Piles, and each and every part and portion thereof according as the same may be constructed, and all the land, railways, rails, bridges, fences, right of way, stations, depot ground, station houses and other buildings now held or owned, or which may hereafter be held or owned by the said Company, for the purpose of cons-

tructing, operating, and maintaining the said Railway or the accommodation of the business thereof, and also all the tolls, incomes, rents, issues, profits and alienable franchises of the said Company, connected with their Railway or relating thereto, and also the locomotives or stationary engines, tenders and cars of every description, machinery and machine shops, tools and implements and materials connected with or intended for the construction, equipment, operating and conducting of such Railway now owned or hereafter to be acquired by the said Company, all which are declared to be appurtenances and fixtures of the said Railway, and are to be used and sold therewith and not separated therefrom, and are to be treated as part thereof, and the said Company agree to furnish to the said Trustee or to his successors, from time to time upon their or either of their request, a true and full inventory of their moveable property appertaining to the said Company and the operation of their said road, and conveyed or intended so to be by these presents, but no default to demand or to furnish such inventory shall impair the operation or effect of these presents upon all or any of the property hereby hypothecated.

And the party of the First Part, for the consideration hereinbefore expressed, and for the more ample and perfect security for the payment of the debentures aforesaid, and the interest thereon and any part thereof, as the same shall become due from time to time, according to the tenor and effect thereof, have granted, bargained, sold, conveyed, assigned and confirmed, and by these presents do grant, bargain, sell, convey, assign, and confirm unto the said party of the Second Part and his successor in the trust hereby created, all the right, title, interest, claim or demand, which the party of the First Part now has or may hereafter acquire in and to the two million acres of land so granted to the party of the First Part as hereinbefore set forth ; which lands are particularly described and set forth in the schedule hereto annexed, which with the map thereof is hereby declared to be a part of this deed. And doth further assign and make over to the said party of the Second Part the right to obtain from the Government of the Province of Quebec, the Letters Patent for the said lands as they shall become entitled to the same, and the said party of the First Part hereby consents that the Patent for the said lands shall be taken out in the name of the said party of the Second Part, and the said lands sold by him for the purpose of the present trust.

TO HAVE AND TO HOLD, the above mentioned and described two million acres of land unto the said party of the Second Part, his successors and assigns, to his and their own and only proper use, benefit, and behoof for ever; *in trust* nevertheless, to and for the uses and purposes, and subject to the powers herein declared, granted or expressed, to wit:

ARTICLE FIRST.—That the party of the First Part shall and will pay the principal and interest of said debentures to the several holders or owners thereof, when and as the same shall become due and payable, according to the tenor and effect of the said debentures and coupons.

ARTICLE SECOND.—Until default shall be made in the payment of the principal or interest, or some part thereof, of the said debentures, or some one of them, or until default shall be made, or have occurred, in respect to some thing by these presents required to be observed, performed, or kept by the party of the First Part to said party of the Second Part, the said party of the First Part shall be suffered and permitted to possess, manage, operate and enjoy the Railway, equipment, appurtenances, property and franchises aforesaid, and to take and use the rents, revenues, incomes, profits, tolls, and issues thereof, in the same manner and with the same effect as if this deed had not been made.

ARTICLE THIRD.—In case default shall be made in the payment of any interest on any of the aforesaid debentures issued or to be issued, according to the tenor of the coupons thereto annexed, or the provisions hereof, or in any requirements hereof to be done or kept by the party of the First Part to said party of the Second Part, and if such default shall continue for the period of six months, it shall be lawful for the said Trustee or his successor, personally, or by his attorneys or agents, to enter into, and upon all and singular the premises hereby mortgaged and hypothecated; and also on the lands hereby conveyed or intended so to be, and each and every part thereof, and to have, hold and use the same, operating by his superintendents, managers, receivers or servants, or other attorneys or agents, the said Railway, and conducting the business thereof, and exercising the franchises pertaining thereto, and making from time to time all repairs and replacements, and such useful alterations, additions and improvements thereto as may seem to him to be judicious; and to collect and receive all tolls, freights, incomes, rents, issues and profits of the same and of every part thereof; and after deducting the

expenses of operating said Railway and conducting its business, and of all the said repairs, replacements, alterations, additions and improvements, and all payments which may be made for taxes, assessments, charges or liens, prior to the lien of these presents upon the said premises or any part thereof, as well as just compensation for his own services, and for the services of such attorneys and counsel as may have been by him employed, to apply the moneys arising as aforesaid to the payment of interest in the order in which such interest shall have become or shall become due, ratably to the persons holding the coupons evidencing the right to such interest. And in case all the said payments shall have been made in full, and no sale shall have been made in conformity hereto, the said Trustee, after making such provision as to him may seem advisable for any half year's interest next to fall due, shall restore the possession of the premises hereby hypothecated and conveyed, unto the said party of the First Part, its successors or assigns; provided, that if any of the defaults hereinbefore specified be subsequently made, such restoration shall not, nor shall any previous entry be construed to exhaust, or in any manner impair the powers of entry or sale, or any power hereby granted to or conferred upon the said Trustee.

ARTICLE FOURTH.—In case default shall be made as aforesaid and shall continue as aforesaid, or in case default shall be made in the payment of any principal of any of the said bonds, it shall likewise be lawful for the said Trustee, after entry as aforesaid or other entry, or without entry, to sell and dispose of all and singular the premises hereby hypothecated and conveyed or intended so to be, or any part thereof, at public auction, in the City of Quebec, or at such place within the Dominion in which the said Railway is situate, as the said Trustee may designate, and at such time as he may appoint, having first given notice of the place and the time of such sale, by advertisement, published not less than for ten weeks, in one or more newspapers in each of the Cities of Quebec and Montreal, or to adjourn the said sale from time to time in his discretion, and if so adjourning, to make the same without further notice, at the time and place to which the same may be so adjourned; and to make and deliver to the purchaser or purchasers thereof, good and sufficient deed or deeds in the law for the same *in fee simple*, which sale made as aforesaid, shall be a perpetual bar, both in law and equity, against the party of the First Part, and all other persons lawfully claiming the

said premises or any part thereof by, from, through or under the said party of the First Part; and after deducting from the proceeds of such sale just allowances for all expenses of the said sale, including attorneys and counsel fees, and all other expenses, advances or liabilities which may have been made by him for taxes and assessments, and for charges and liens prior to the lien of these presents on the said premises, or any part thereof, as well as compensation for his services, to apply the said proceeds to the payment of the principal of such of the aforesaid bonds as may be at that time unpaid, whether or not the same shall have previously become due, and of the interest which shall at that time have accrued on the said principal and be unpaid, without discrimination and preference, but ratably to the aggregate amount of such unpaid principal and accrued and unpaid interest; and if, after the satisfaction thereof, a surplus of the said proceeds shall remain, to pay over the said surplus to the said Railway Company, or to render the same as any Court of competent jurisdiction shall order.

AND it is hereby declared that the receipt or receipts of the said Trustee shall be a sufficient discharge to the purchaser or purchasers; and his or their heirs, executors or administrators shall not, after payment thereof, and having such receipt, be liable to see to its being applied upon or for the trusts and purposes of these presents, or in any manner howsoever be answerable for any loss, mis-application or non-application of such purchase money or any part thereof, or be obliged to inquire into the necessity, expediency or authority of or for any such sale.

ARTICLE FIFTH. — At any sale of the aforesaid property, or any part thereof, whether made by virtue of the power herein granted, or by judicial authority, the Trustee may in his discretion, bid for and purchase, or cause to be bidden for and purchased, the property so sold, or any part thereof, in behalf of the holders of the bonds secured by this instrument and then outstanding, in the proportion of the respective interests of such bond holders, at a reasonable price, if but a portion of the said property shall be sold; or if all of it be sold, at a price not exceeding the whole amount of such bonds then outstanding with the interest accrued thereon.

ARTICLE SIXTH. — In case default shall be made in the payment of any half year's interest, on any of the aforesaid bonds, at the time and in the manner determined in the Coupon issued there-

with, provided the said Coupon having been presented, and the payment of the interest thereon specified having been demanded, and if such default shall continue for the period of six months after the said Coupon shall have become due and payable, then and thereupon the principal of all the bonds secured hereby shall, at the election of the Trustee, become immediately due and payable, anything contained in the said bonds or herein to the contrary notwithstanding; but a majority in interest of the holders of said bonds may, by an instrument in writing signed by said majority, before the interest in arrears shall be paid, instruct the Trustee to declare the said principal to be due, or to waive the right so to declare, on such terms and conditions as such majority shall deem proper, or may annul or reverse the election of the Trustee, provided that no action of the Trustee or bond holder shall extend to, or be taken to affect any subsequent default, or to impair the rights resulting therefrom.

ARTICLE SEVENTH—On the first day of July of each year, commencing in the year one thousand eight hundred and seventy-eight, or within sixty days thereafter, there shall be paid over to, or a like amount of the Bonds of the party of the First Part at the par value, shall be deposited with the said Trustee as a sinking fund for the redemption of the Bonds secured by these presents, such amount annually as will redeem two million dollars of said Bonds, with accrued interest, the first day of July, one thousand eight hundred and ninety-two; and from and after the last mentioned day on each succeeding 1st (first) July in each year, such annual sum as will redeem the balance of four million dollars with accrued interest on the first of July one thousand nine hundred and seven.

The Trustee shall at once deposit the said surplus so paid over to him, in any depository deemed by him safe, and the said moneys together with all accumulations of interest thereon which may actually come within the disposal of the said Trustee, shall, after paying the expenses of the trust, be invested by the said Trustee in the manner following, that is to say: First. In the purchase of the debentures secured by these presents at not exceeding five per cent above the par value; Secondly. If the said Trustee shall be unable for three months to purchase the aforesaid debentures, then he shall invest the said money, or any balance thereof, in such securities as he may deem best for the interest of the holders of the said debentures; and the deben-

tures or securities so purchased by the said Trustee shall be deposited with such depository as the Trustee may deem to be safe, and the debentures secured by these presents so purchased by him shall be immediately registered, stamped or endorsed as belonging to the said sinking fund, but shall remain in force, and the interest thereon shall continue to be paid by the said party of the First Part; and the amount of such interest shall be added and applied, as well as the interest upon other securities so purchased by the said Trustee, if any, as a part of the capital of the sinking fund hereby established, and be invested in the purchase of other debentures in the same manner as the annual payments to the sinking fund hereinbefore provided for; provided, nevertheless, that it shall be at all times competent for the party of the First Part, and the holders of the bonds secured, hereby acting by a majority in interest, to enter into any new agreement which they may deem necessary or proper for the modification of the sinking fund hereby established, or the regulation of investments under the same.

ARTICLE EIGHTH.—The public lands granted to said Company and conveyed to the party of the Second Part, hereby, shall be carefully surveyed, mapped and platted by the party of the First Part, their officers and agents, and shall be carefully valued and appraised in such suitable and proper divisions and parts as shall seem most expedient for effecting a sale thereof, or the timber standing thereon, which allotments and valuations shall be made in writing from time to time as may be found convenient and profitable, and shall be subject to the approval of the party of the Second Part; and upon such approval, duplicates thereof shall be deposited and filed with the party of the Second Part, and also with the Treasurer of the party of the First Part, which said allotments and valuations may be varied and changed from time to time by the party of the First Part, with the written consent of the party of the Second Part, and not otherwise.

The party of the First Part shall, at all times be at liberty to contract for the sale of any parcel or parcels of said land, or of the timber growing thereon, at a price not less than that fixed in the valuations aforesaid, and shall receive in payment thereof cash, or any of the debentures aforesaid at the par value thereof; and upon the payment of such cash or surrender of such debentures to the party of the Second Part, he (the party of the Second Part) shall by proper deeds or instruments executed by him or

his duly authorized agent or attorney, grant and convey such parcel or parcels of land to the purchaser or purchasers thereof.

The party of the Second Part shall have full power from time to time, to employ such clerks and assistants as he shall find necessary to enable him to discharge properly the duties devolving upon him under the provisions of this instrument ; and he shall also have power and be at liberty to appoint an agent or attorney to execute conveyances of said land, and to act generally in his behalf, and from time to time to remove such agent and appoint another in his place ; and all conveyances executed by such agent or attorney, and other acts, within the scope of his power, shall be legal and valid in the same manner as if executed or done by the party of the Second Part.

ARTICLE NINTH.—All the moneys, after deducting the expenses of such surveying, mapping, platting and appraisals and other expenses of this trust in connection with such lands, including the payment of taxes, if any, arising from the sale of said lands, or of the timber standing thereon, are pledged to the payment of the principal and interest of the said debentures, and for that purpose shall be paid to the party of the Second Part, and shall be by him applied in the manner following that is to say :

FIRST.—To the payments of the sinking fund as hereinbefore provided.

SECOND.—To the purchase and satisfaction at their par value or less, of the debentures hereinabove authorized to be issued. In case a sufficient amount of the said bonds in this article mentioned cannot be purchased at such rate, then.

THIRD.—Any balance thereof in his hands shall be invested in such securities as he may deem proper. All such securities and the interest thereof shall be applied in the manner provided in the Second Part of this article, whenever such debentures can be purchased at par or less. All such debentures so purchased or satisfied by the party of the Second Part shall be immediately canceled by him and delivered to the party of the First Part or its duly authorized officer or agent.

ARTICLE TENTH.—The Trustee shall have full power, in his discretion, upon the written request of the party of the First Part, to convey by way of release or otherwise, to the persons designated by the said Railway Company, any lands acquired or held for the purposes of stations, depots, shops, or other buildings ; and shall also have power to convey as aforesaid, on like request, any lands

or property which, in the judgment of the Trustee, shall not be necessary for use in connection with the said Railway, or which may have been held for a supply of fuel, gravel or other materials, and also to convey as aforesaid, on like request, any lands not occupied by the track, which may become disused—by reason of a change of the location of any station house, depot, shop or other building connected with the said Railway, and such lines occupied by the track and adjacent to such station house, depot, shop, or other building as the Railway Company may deem it expedient to disuse or abandon by reason of such change, and to consent to any such change and to such other changes in the location of the track or depot or other buildings as in its judgment shall have become expedient; and to make and deliver the conveyances necessary to carry the same into effect; but any lands which may be acquired for permanent use in substitution for any so released, shall be conveyed to the Trustee upon the trusts of these presents; and the Trustee shall also have full power to allow the said Railway Company, from time to time, to dispose of, according to its discretion, such portions of the equipments, machinery and implements at any time held or acquired for the use of the said Railway, as may have become unfit for such use, replacing the same by new, which shall be conveyed to the Trustee, or be otherwise made subject to the operation of these presents.

ARTICLE ELEVENTH.—If the party of the First Part shall well and truly pay the sum of money herein required to be paid by the said Company, and all interest thereon at the times and in the manner herein specified, and shall well and truly keep and perform all the things herein required to be kept and performed by the said party of the First Part to the said party of the Second Part, according to the true intent and meaning of these presents, then, and in that case, the estate, right, title and interest of the said party of the Second Part and of his successors in the trust hereby created, shall cease, determine and become void, otherwise the same shall be and remain in full force and virtue.

ARTICLE TWELFTH.—It is hereby declared and agreed that it shall be the duty of the Trustee to exercise the power of entry hereby granted, or the power of sale hereby granted, or both, or to take appropriate proceedings in equity or at law, to enforce the rights of the bondholders under these presents, upon the requisition in writing as hereinafter specified.

FIRST.—If the default be as to interest or principal of any bonds,

such requisition upon the said Trustee shall be by holders of not less than five hundred thousand dollars in aggregate amount of the said bonds; and upon such requisition and a proper indemnification given on behalf of, or by the persons making the same to the Trustee, against the costs and expenses to be by said Trustee incurred, and against any damages he may incur by acting upon such requisition, it shall be the duty of the Trustee to enforce the rights of the bondholders under these presents, by entry, sale, or legal proceedings, as he, being advised by counsel learned in the law, shall deem most expedient for the interest of all the holders of the said bonds,

SECOND.—If the default be in the omission of any act or thing required by the covenant hereinafter contained, for the further assuring of the title of the Trustee to any property or franchises now possessed or hereafter acquired, or in the omission to comply with any other agreement or covenant herein contained, from the party of the First Part, to the said party of the Second Part, then and in either of such cases, the requisition shall be as aforesaid, but it shall be within the discretion of the Trustee to enforce or waive the rights of the bondholders by reason of such default, subject to the power hereby declared of a majority in interest of the holders of the said bonds, by requisition in writing, signed by such majority, to instruct the said Trustee to waive such default, or upon adequate indemnity as aforesaid, to enforce their rights by reason thereof. Provided, that no action of the said Trustee, or bondholders or both, in waiving such default, or otherwise, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom.

ARTICLE THIRTEENTH.—It is mutually agreed by and between the parties hereto, that the word "Trustee," as used in these presents, shall be construed to mean the Trustee for the time being, whether original or new. And it is mutually agreed by and between the parties hereto, as a condition on which the party of the Second Part has assented to these presents, that the said Trustee shall be entitled to such compensation for all services which he may hereafter render in trust, to be paid by the said Railway Company, or out of the income of the property; and for that purpose, may at any time, apply to the courts, without notice to any person but the said party of the First Part; that said Trustee or any successor may resign and discharge himself of the trust created by these presents, by notice in writing to the said

Railway Company, three months before such resignation shall take effect, or such shorter time as the said Railway Company may accept as adequate notice, and upon the due execution of the conveyances hereinafter required; that the said Trustee may be removed by a majority in interest of the holders of the aforesaid bonds, by an instrument in writing signed by such majority; that in case, at any time hereafter, the said Trustee or any Trustee hereafter appointed, shall resign, or be removed as herein provided, or by a court of competent jurisdiction, or shall become incapable or unfit to act in the said trust, a successor to said Trustee shall be appointed in the manner following:—In case there shall have been no default on the part of the said Company in any of the obligations of this agreement, then by a mutual agreement between the said Company and a majority in interest of the said bondholders, and in case such default shall have occurred and shall then exist, then said Trustee shall be appointed by the holders for the time being of a majority in interest of the said bonds then outstanding, by an instrument in writing signed by such majority; and the Trustee so appointed shall thereupon become vested with all the powers, authorities and estates granted to or conferred upon the party of the Second Part by these presents, and all the rights and interests requisite to enable him to execute the purposes of this trust without any further assurance or conveyance, so far as such effect may be lawful; and upon the resignation or removal of any Trustee, or any appointment in his place in pursuance of these presents, all his powers and authorities by virtue hereof shall cease; and all the estate, right, title and interest in the said premises of any Trustee so resigning, or being removed, shall wholly cease and determine; but the said Trustee so resigning or being removed shall, on the written request of the new Trustee who may be appointed, immediately execute a deed or deeds of conveyance to vest in such new Trustee, upon the trust herein expressed, all the property, rights and franchises which may be at that time held upon the said trusts: Provided, nevertheless, and it is hereby agreed and declared that in case it shall at any time hereafter prove impracticable, after reasonable exertions, to appoint in the manner hereinbefore provided, a successor in any vacancy which may have happened in said trust, application, in behalf of all the holders of the bonds secured hereby, may be made by holders of the said bonds to the aggregate amount of one hundred thousand dollars, to a Judge of the Superior Court

of the Province in which the aforesaid Railway is situate, for the appointment of a new Trustee.

It is also mutually agreed that the said party of the Second Part, and his successors in the trust, shall be accountable for reasonable diligence in the management thereof, but shall not be responsible for the acts or default of any agent employed by him in good faith. And the said party of the First Part, for itself and its successors, in consideration of the premises, and of one dollar to it duly paid by the said party of the Second Part, the receipt whereof is hereby acknowledged, hereby further covenants and agrees to and with the said party of the Second Part, his successors and assigns, that the said party of the First Part and its successors shall and will, from time to time and at all times hereafter and as often as thereunto requested by the Trustee, execute, deliver and acknowledge all such further deeds, conveyances and assurances in the law, for the better assuring unto the said Trustee the railways, equipments, appurtenances and lands hereinbefore mentioned or intended so to be, and all other property and things whatsoever which may be hereafter acquired for use in connection with the same, or any part thereof, and all franchises pertaining thereto, now held or hereafter acquired, as by the said Trustee, or by his counsel learned in the law shall be reasonably advised, devised or required.

And the said party of the First Part, for itself and its successors, in consideration of the premises and of one dollar to it duly paid by the said party of the Second Part, further covenants and agrees to and with the said party of the Second Part, his successors and assigns, that it, the said party of the First Part, and its successors, shall and will, at all times hereafter, keep open an office or agency in New York, for the payment of the principal and interest of and upon the bonds hereinbefore recited and described, as the same shall become payable, and for the transfer and registration of the said bonds; and that any and every default in the due performance of this covenant shall be deemed and taken to be a waiver of presentment and demand of payment of all and every of the bonds and coupons aforesaid which may become payable during the continuance of such default.

And the said parties further agree that the said party of the Second Part shall be entitled to, as compensation for his services as such Trustee, the sum of Two thousand dollars per annum until the payment of the sinking fund commences, from which

time he shall be entitled to the annual sum of Four thousand dollars with such further sum as shall be hereafter determined in the event of the said Trustee being called upon or required to act upon default of the Company in any of their obligations contracted by these presents.

And for the execution of these presents the parties have elected their domiciles at the Office of the North Shore Railway Company, in the City of Quebec, where, &c.

THUS DONE AND EXECUTED, in the City of Montreal, in the Province of Quebec, at the Office of the said party of the Second Part, on the day, month and year first above written, under the number Five hundred and sixty-three.

IN WITNESS WHEREOF, the parties aforesaid, have to these presents, first duly read, set and subscribed their names and signatures, the party of the First Part affixing also the seal of the said Railway Company with and in presence of the undersigned Notary.

(Signed)

(L. S.)

"JOSEPH CAUCHON,"

"President N. S. R. W. C."

"HUGH ALLAN,"

"J. A. CHARLEBOIS, N. P."

True Copy of the original remaining of record in my office.

DOMINION OF CANADA
THE
35 NORTH SHORE RAILWAY COMPANY 35
Will pay the bearer, at the Office of the
Farmers' Loan and Trust Company, in the
City of New York,
THIRTY-FIVE DOLLARS, GOLD,
on the first day of July, 1873, for six months
interest on Bond No.

A. H. VERRET,
Secretary.

DOMINION OF CANADA,
THE
35 NORTH SHORE RAILWAY COMPANY 35
Will pay the bearer, at the Office of the
Farmers' Loan and Trust Company, in the
City of New York.
THIRTY-FIVE DOLLARS, GOLD,
on the first day of January, 1873, for six
months interest on Bond No.

A. H. VERRET,
Secretary.

This is a copy of the interest coupons referred to in the foregoing Deed and annexed to the said Mortgage Bond on this sixth day of July, 1872, numbered from one to seventy inclusive.

SCHEDULE.

34 *Vict., chap. XXI,*

BLOCK A.

The territory included in this designation being situate in the county of Pontiac, at the western extremity of this Province, and being traversed by the principal branch of the Ottawa river, and by that of the river called the Abittibi, is bounded as follows, that is to say :

Beginning at the point of intersection of the meridian of the mouth of the river Blanche, on lake Temiscamingue, with the rear line of the indian Reserve, situate between such last mentioned river and lake des Quinze, as the point A, as set forth on the map hereinabove mentioned ; thence prolonging such meridian line for a distance of 31 miles or thereabouts to the height of land separating the waters of the St. Lawrence from those of Hudson's bay to B ; thence following a line running north, 71° east, astronomically, a distance of 64 miles, to C ; thence in a true southerly direction, a distance of 60 miles to D, thence, following a western course, astronomically, a distance of 23 miles or thereabouts, to the intersection of the most southerly bay of lake Missizowaja, at the point E : thence skirting the eastern and northern shore of the said lake, and that of lake des Quinze, until opposite the point at which it discharges itself, by means of the river of the same name, at the place designated by the letter F ; thence pursuing a course usually north, to G, to the stake planted by the Surveyor, Charles Bouchette, in 1854, to mark the north-east angle of the Indian reserve aforesaid ; thence following the northern boundary of the said reserve, to its intersection with the meridian of the mouth of the river Blanche, to the point of departure at A, a distance of $15\frac{1}{2}$ miles of thereabouts.

The said block A, comprising an extent of territory of 1,827, 400 acres in superficies.

BLOCK B.

The territory so designated, including the island of lake Edward, and watered by the river Batiscan and by the river known as the Pierre river, being situate partly in the county of Portneuf and partly in the county of Quebec, is bounded as follows, that is to say :

Beginning at the letter A on the said plan, to the point of intersection of the line of survey drawn during the summer

of 1870, by the Surveyor Ignace Déry, with the north bank of the river à Pierre, from thence following such said line, so already established, for a course north 45° west, astronomically, to the river Batiscan, a distance of 10 miles and 35 chains, and pursuing in the same direction a distance of about 9 miles to the line of survey drawn by the Surveyors Eugène Casgrain and H. Legendre, in 1869, to the point B, from thence at a right angle following the said line of survey, a distance of about 3 miles to D, to its junction with the south western branch of the river Batiscan, known as the river Jeanotte, and ascending the left bank of the said river and following the windings thereof to its source in lake Edward, and skirting the south shore of such lake to its western extremity, and ascending to its source (at the place marked D), the little river which discharges itself at such place. From this point, the said block to be bounded towards the north by a line running true east about 2 miles to the point E, situate at 6 miles at right angles to the general course of the river Métabetchouan, then at the said distance following parallel thereto, in a south and south westerly direction, the course and windings of the said river to lake *aux Rognons*, and thence, by prolonging, at the said distance of six miles, a parallel line to the survey of the continuation of the Gosford road, fixed by the Surveyor E. Casgrain, to the point of meeting the river à Pierre, at the point F. and descending the course of the said river, to its intersection with the line of survey of Mr. Déry, at the point of departure already mentioned.

The said Block B, comprising 319,440 acres.

BLOCK C.

Situate in the county of Montcalm, bounded as follows, that is to say:

Beginning at a distance of 10 miles from the north-western angle of the Township of Doncaster on the division line between the counties of Argenteuil and Montcalm, at the north-western angle of the proposed Township of Archambault, at the point A on the said map, following the said line, and, in continuation the line dividing the districts of Montreal and Ottawa, to its meetings with the principal branch of the *Rivière Rouge*, a distance of about 26 miles, in B; thence ascending the course of the said principal branch to a point of intersection with the line between the counties of Montcalm and Joliette, in C.

Thence, following such line on a course, astronomically south, 45°, east, for a distance of 34½ miles to the north-east angle of the proposed Township of Lussier, to about ten miles from the north-east angle of that of Chilton, in D. Thence following the rear line of the said proposed township of Lussier and Archambault, a distance of 30 miles, to the point of departure in A.

The said Block C, comprising an area of 371,200 acres in superficies.

BLOCK D.

This extent of territory, situated on the eastern bank of the river St. Maurice, partly in the county of Champlain and partly in that of Chicoutimi, is bounded as follows, that is to say: Beginning at the mouth of the *Grande Rivière Pierriche*, on the St. Maurice, about 10 chains from the 64th mile post, planted by Surveyor Bignell in 1848, at the time of his survey of the said last mentioned river, at the point A, on the said map; thence, following the meridian of the mouth of the said *Grande Rivière Pierriche*, a distance of 37 miles to B, from such place, at right angles with the said meridian, on a course west astronomically, a distance of nearly 37 miles to the point of meeting the river St. Maurice, in C. Thence descending the left bank of the said river and following all its windings in a direction usually south and south-east, to the point of departure at the mouth of the said *Grande Rivière Pierriche*, at the place marked A, and already described.

The said block D, comprising an area of 685,466 acres in superficies.

This is the description of the land referred to, in the foregoing Mortgage Bond annexed to the said Deed, and signed by the parties of the First and Second Part, with and in presence of the undersigned Notary.

Montreal, this 6th July, 1872.

(Signed,)

“ JOSEPH CAUCHON, ”

“ President N. S. R. W. C. ”

“ HUGH ALLAN, ”

“ J. A. CHARLEBOIS, N. P. ”

True Copy of the original annexed to the Mortgage Bond recorded in my office.

LEGAL OPINIONS.

The following is the joint opinion of the Honorable George Irvine, M. P., Solicitor General of the Province of Quebec, and the Honorable J. J. C. Abbott, M. P., late Solicitor General, as to the validity of the foregoing mortgage Deed and Bond.

"Quebec, July 11, 1872.

"We have examined the Mortgage Deed, passed by the North Shore Railway Company, in favor of Sir Hugh Allan, as Trustee, for the holders of their Bonds, and dated 6th July, instant, and we are of opinion that the said Mortgage Deed gives the holders of the Bonds, through their Trustee, the first hypothecary claim on the Road, and the right to hold the Lands granted by the Government, to secure the payment of the Bonds."

(Signed.)

"GEORGE IRVINE,

"Q. C.

"J. J. C. ABBOTT,

"Q. C."